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COLUMNIST SPECULATES ON VIDELA-FIGUEIREDO MEETING

Buenos Aires CONVICCION in Spanish 8 May 80 p 10

[Article by Alberto Guilis: "Neto's Absence From the Brazilian Delegation Is Significant"]

[Text] As the arrival of the president of Brazil, Joao Baptista Figueiredo, approaches, some decisions regarding his visit and the agreements to be signed in Buenos Aires are being made public, as are various statements on both sides of the border.

One of the most significant factors is perhaps the failure to include the minister of planning and strong man in economic affairs, Delfim Neto, in the presidential party. Many conjectures have been made regarding that absence. Some observers include him among those who oppose certain Argentine-Brazilian negotiations. Those with good memories recall that, in fact, the mentor of the economic rapprochement between the two countries was his predecessor, Karlos Rischbieter, an active member of the Trilateral Commission. Despite the fact that the former finance minister lost the internal battle, the negotiations with our country continued their progress.

With the arrival of President Figueiredo a week away, the official circles in both countries are engaged in a precipitous race against time, to smooth the edges of the conflict that has been raised by private business owners in particular. Yesterday, Foreign Minister Ramiro Saraiva Guerreiro met with 200 Brazilian business owners who will be visiting Argentina next week. The gathering was informational in nature, and was arranged by the Itamaraty Department of Commercial Promotion. At it, there was a discussion of the possibilities for business between the entrepreneurs of both countries.

Almost simultaneously, a group of Argentine business entities published statements against the "dumping" policy used by Brazil. The interesting aspect is that the Rio newspapers reported statements made by the press undersecretary of the Planalto Palace, Alexandre Garcia, to the effect that "the criticism made by Argentine business owners of Brazilian economic positions are not worthy of consideration."

Coincidentally, the National Council of the Textile Industry requested the Brazilian Foreign Ministry to include another item on the agenda for negotiations which President Figueiredo will hold next week in Buenos Aires: "The restrictions on exports of textile products to Argentina." In this regard, we should recall that, a few days ago, our country's economic authorities devoted time to a claim of the "dumping" of textile products from Brazil made by the Federation of Argentine Textile Industries (FITA).

The Nuclear Issue

Moreover, in Rio de Janeiro the text of the nuclear cooperation agreement prepared by NUCLEBRAS [Brazilian Nuclear Corporations], which both presidents are to sign next week, was published. It calls for the use of private and state-owned industries of both countries to produce equipment, parts and components for nuclear powerplants which are currently being imported. The engineering firms of both countries will also be used to design and construct nuclear powerplants in other South American countries, through agreements that will make it possible to transfer technology. The most important point in the agreement, according to the NUCLEBRAS board members, is the fact that it ends with a possibility of competition among the Latin American nations in the nuclear field, and affords all of them access to a technology that is confined to a small group of rich nations. At the present time, Brazil is producing a large volume of parts and pieces at prices lower than those in our country. But, on the other hand, Argentina has production processes that Brazil lacks. Now an agreement for complementation in this troubled area will be sought.

Tractors and Cars

It has also been learned that the Brazilian Tractor Company has obtained orders in our country for 1,000 units in 1980; while the Argentine tractor factories are still closing their doors, as in the case of Deutz, or laying off personnel for lack of work.

With respect to the automotive market, the newspaper O GLOBO reprints the opinion of an unidentified "diplomatic source" who reportedly claimed: "Brazil will not allow a counterpart in the importing of Argentine automobiles, despite the fact that Volkswagen's authorization to export 10,000 units represents 10 percent of our foreign sales."

This topic will surely be one of those included on the agenda of both presidents, even though it is one of the most controversial ones. Argentina has demanded a reduction in the Brazil tariff for importing automobiles; because, whereas in our country it has been set at 85 percent, in Brazil it is 185 percent. According to estimates made by private sources and those from the Secretariat of International Trade and Economic Negotiations, Brazil would have to reduce its tariff to 120 percent in order to match the final price on both markets; because the Argentine tax pressure is greater than that of Brazil and, therefore, they need not necessarily be equal. Finally, it is also anticipated that, among the agreements to be signed next week, there will be included the intention of both countries to form a binational company for the hydroelectric utilization of the Uruguay River, which would make it possible to obtain over 6 million kilowatts of power in a combined manner.

JARPA REYES REFUTES ELEMENT OF TENSION IN BEAGLE TALKS

Buenos Aires CLARIN in Spanish 8 May 80 p 9

[Interview with Chilean Ambassador to Argentina, Sergio Onofre Jarpa Reyes; date and place not given]

[Text] The Chilean ambassador to Argentina, Sergio Onofre Jarpa Reyes, reiterated his conviction that the process of papal mediation in the southern boundary dispute "will conclude successfully and soon;" although "it is impossible to set definite deadlines." And he gave a reminder that his country "has constantly backed the claims of Argentine sovereignty over the Malvinas Islands."

He gave assurance that the relations between the two countries are "absolutely normal," and cautioned against the alarmism of certain "speculations about problems with the mediation."

The Chilean diplomat made these statements during the course of an interview with CLARIN, the most significant portions of which are reprinted below:

[Question] In view of recent events: rumors about mediation problems and, in particular, the statements made by Adm Toribio Merino (commander of the Chilean Navy), do you believe that the concern evinced by certain sectors over the future progress of the Beagle dispute is warranted?

[Answer] It is impossible to attribute to the situation the dramatic quality attached to it by a few newspaper headlines. The relations between the two countries are absolutely normal, and the mediation is taking place as expected and within the periods of time that have been planned. Heed should be paid to the official communiques issued by the governments and the Vatican (which is maintaining complete silence apart from those texts), and avoid letting what is nothing but speculation damage that normality.

Not only are the relations between Santiago and Buenos Aires cordial; so are those of the members of the delegations to the Holy See. They work together, they have lunch together, and Cardinal Samore has them pray together. This confraternity does not mean that the delegates are not upholding their respective positions with determination, and even passion in some cases.

[Question] Nevertheless, the tensions appear to have increased....

[Answer] People forget that Argentina and Chile started with a disagreement, not an agreement. The respective positions have remained unchanged, since it cannot be otherwise until a solution is arrived at; but that does not warrant pessimism. I have just returned from Santiago de Chile, and I did not observe any tension or despair there in the government or among the people, but rather quite the contrary: a renewed optimism.

[Question] Both the recent statements by Admiral Merino (regarding the constant "state of alert" of the Chilean Armed Forces) and the announcement of trade between your country and the Malvinas Islands would appear to conspire against that atmosphere of "normality."

[Answer] In the first place, one must realize that the business of Admiral Merino's statements involved partial reporting, which occurs frequently in newspaper coverage. The answers are reprinted, and the questions fall into oblivion. Merino was asked about the degree of preparedness of his troops, and what would you expect a military man to answer? Should he have said that his troops were not prepared? There was not the aggressive intention that was attributed to him.

As for the Malvinas Islands, to attribute ulterior motives to ~~commercial~~ operations being conducted by private citizens using their rights and under the protection of free trade which prevails in Chile, is senseless. It has been claimed here that Chile does not back Argentina's claims to sovereignty over those islands. That is untrue, and I refer to historical data to prove it: In 1965, my country was a coparticipant and voted in favor of UN Resolution 2065, which takes note of the existence of a dispute with Great Britain, and urges the continuation of the negotiations between the two sides so as to find a peaceful solution. From 1966 to 1969, every year, it has participated in the consensuses which record with satisfaction the progress that has been achieved.

In 1975, Chile's representative to the Decolonization Committee stated, at the session of 20 August, that "the Chilean delegation, while at the same time reiterating its support to the fraternal people of Argentina in the claim to the Malvinas Islands, wishes to express its full backing for the draft resolution," which voiced the deep concern of the international community over the lack of progress in the negotiations. And I could cite other records to you similar to these.

2909

CSO: 3010

BRAZIL, FRG TO BENEFIT FROM ARGENTINA'S FIRM NUCLEAR STAND

Buenos Aires CONVICCIÓN in Spanish 9 May 80 p 7

[Article by Mario Quinteros: "The Accord With Brazil Is Navigating Between Symbolism and Disparity of Benefits"]

(Text) One of the eight documents to be signed next week by the presidents of Argentina and Brazil will relate to nuclear cooperation. Judging from the repercussions that the issue has caused in Brazil, it may be assumed that this text will be the most important one of all.

But is it really? It depends on the angle from which it is viewed. First, it behooves us to see what Generals Videla and Pigueiredo will be signing.

From what we have been able to find out to date, the presidents will be signing nothing more than a letter of intention concerning nuclear cooperation, leaving to the respective atomic agencies the implementation of those intentions, probably at a later date.

In other words, the advertised nuclear agreement would appear, at the outset, to be merely a symbolic accord, with goals that are more political than technical. Later to come will be "the exchange of information and technology in the area of uranium exploitation," cited yesterday by Vice Adm Carlos Castro Madero.

As for the importance of that agreement, it can be calibrated from the viewpoint of Brazil, the Federal Republic of Germany and Argentina.

To the first-named, the agreement is both beneficial and necessary. It is beneficial because that country's lag in nuclear development, in comparison with Argentina, is very great. It is necessary because that country's critical economic situation is due in large measure to its energy shortages; and atomic energy is a valuable alternate source.

The Brasilia government's nuclear plan came into being under a bad omen: it made a mistake in the selection of the fuel to be used (it chose enriched uranium, which very few countries possess, rejecting the alternative, natural uranium-heavy water, which affords far greater access to nuclear independence);

and it was mistaken in the system of contract with the FRG, selecting the "turn-key" system, which is alternated only by the establishment of mixed companies with a Brazilian minority.

What is serious is that it grew under a bad omen as well: congressional discussions, denunciations in all the government's plans, etc.

Result: a delay of at least 5 years, few prospects for nuclear independence, a sharp increase in the cost of the plan. Meanwhile, the most important neighbor was progressing with its plan, and becoming dangerously distant in a type of development with great strategic value.

So it is obvious that an agreement on complementation, especially in the area of fuel which Argentina has by now virtually resolved, is quite beneficial to Brazil; since it would enable it to enter a realm which it would take several years to reach using its own resources. In addition, it shortens the distance separating it from the Argentine nuclear plan.

In exchange for this, it is only in a position to offer Argentina certain parts for nuclear powerplants which our country has not been manufacturing because it did not consider them a priority for its atomic independence. In short, it is receiving strategic instruction in exchange for a few technical elements.

This agreement would appear to have only political significance for Argentina, inasmuch as it lends the country more strength in discussions with the super-powers. That advantage is also to be used for the benefit of Brazil, and a third country: the Federal Republic of Germany.

Against all opposition (that is, contrary to the opinion of the United States and to Canadian technology), the Bonn government has succeeded in participating in the nuclear plans of Argentina and Brazil. It is obvious that the complementation of these two countries, with their technical management, will enhance their decision-making power in the international nuclear centers.

2909
CSO: 3010

PASTOR'S PROPOSAL IN BRAZIL TERMED DIPLOMATIC BLUNDER

Buenos Aires ULTIMA CLAVE in Spanish 6 May 80 pp 7-4/7-8-477

[Text] Last week certain press organs and news agencies set forth on a full-scale evaluation of the repercussions that Vance's departure might have on inter-American relations. The few conjecturers who thought that Warren Christopher would succeed Vance were at least sure that there would be many new developments in the Caribbean at least: a right wing coup in El Salvador, a siege on the Sandinistas, an armed revolution in Grenada, major maneuvers in Guantanamo and even an operation in Panama to improve the terms of the Canal treaties.

Muskie's appointment cooled the most ardent disciples of Teddy Roosevelt; but it did not prevent a few rash persons from starting to devise reconverted policies "now that the communists have left the State Department," as a Brazilian source simplified it.

Foreign Minister Pastor may have been one of those most dazzled by the North American about-face. In an interview published by O ESTADO DE SAO PAULO, he advocated the establishment of a mechanism for permanent consultations between Argentina and Brazil, to cope with the "dreadful threat" represented by the victory of Marxist or leftist governments in America. Emphasizing the certainly difficult situation in Central America, Pastor conjured an America split in two, with armed Marxists invading Mexico and threatening the Andean Group countries in the south. Pastor called for "a total alliance with Brazil, because the time may come when the Marxist forces will not be checked except by the unity of the two countries." In addition, he committed the inexplicable blunder of coming out in favor of the integration of the South African Republic, in the hypothetical defense alliance of the South Atlantic; something to which the Brazilians have already expressed their opposition, owing to the nature of their African policy, which is definitely geared toward winning markets in Black Africa. Continuing his verbal escalation, Foreign Minister Pastor upheld the formation of a "solid bloc" to "strengthen the other Latin American countries and prevent them from moving to the orbit of the socialist nations."

Although an immediate denial was released by the Argentine Embassy in Brasilia (which, owing to its length and depth, contradicts nearly everything that O ESTADO DE SAO PAULO put into Pastor's mouth), we are inclined to think that the major Sao Paulo newspaper invented the interview. Hence it seems worthwhile to us, because of the doubts, to stress the essence of the errors in our foreign minister's statements, if in fact they did exist:

1. Brazil is not interested in an anti-Marxist alliance in Latin America, because its policy is aimed at a pragmatic, utilitarian rapprochement with the Andean Group (in which there are parties strongly representing a leftist tendency or inclination), and at playing a role of moderator in the Caribbean, which would necessarily entail a redefinition of relations with Cuba within a short time.
2. To mix the ideological hypotheses with the good business that Martinez de Nos intends to resume with the Brazilians after Pigueiredo's visit really seems foolish, unless there is a desire to interfere with that business, something that we reject, because, since Pastor has been in the Foreign Ministry, there has been total harmony between the foreign policy and the economic policy.
3. At a time when the Beagle affair has returned to a boiling point (as is clearly reflected in the document of the Argentine and Chilean bishops), it seems rather inappropriate to involve Argentina in tasks related to an ideological controller beyond our borders. The Chilean interference in the bidding involving the Malvinas Islands is evidence that the Foreign Ministry would do well to deal with the most urgent matter, before committing the country to affairs of greater scope.
4. It seems neither possible nor likely that the Foreign Ministry imagines that it will obtain greater sympathy from Washington with these statements. The explanations of the Argentine refusal to join the grain boycott have not been received well in Washington, and the Argentine Embassy there has reported this. From that at least ambiguous position in the eyes of the State Department, to set forth calling for strategic and ideological alliances hardly seems responsible.
5. The absolute inappropriateness of Pastor's statements (which, despite the subsequent denial, have caused headaches at Itamaraty) seems to be confirmed by those made by Ramiro Saraiva Guerreiro last Saturday to a Buenos Aires morning paper. In his assertions, the head of Itamaraty said just the opposite of what Pastor had: In the opinion of Saraiva Guerreiro, Brazil "does not endorse" the idea of subregional political alliances. He remarked: "The alliances have a defensive significance; we do not observe in the current situation in Latin America the slightest sense in contriving a policy of blocs with divisive political intentions. The mechanisms that we are seeking are aimed at mutual cooperation, and we do not believe in the creation of mechanisms 'against' one side or the other, either overt or concealed."

The careful reader will note, from the mere comparison of the statements made by both foreign ministers, that there has been a complete discordance on this critical issue. Although Pastor's remarks may remain an untimely, remote expression of desires, no one can have any doubt that such experiences usually have a cost that is sometimes paid at the negotiating table.

INTER-AMERICAN AFFAIRS

BRIEFS

MEXICAN AMBASSADOR IN CUBA--Mexican ambassador to our country Gonzalo Martínez has paid a visit to the Valle de Picadura livestock breeding farm, located east of Havana. At that important breeding center, the ambassador was received by farm director Ramón Castro. The Mexican diplomat also visited the Victoria de Vietnam community, located at Havana Province's town of Cieba Mocha, where he chatted with the peasants residing in the area. [Text] [PL231657 Havana Domestic Service in Spanish 1600 GMT 23 May 80]

CUBA-GUYANA CELEBRATION--The Cuban Institute of Friendship With the Peoples [ICAP] has celebrated the 14th anniversary of the independence of the Cooperative Republic of Guyana. ICAP's Latin America and Caribbean department head Luis Morejon and Guyana's ambassador to Cuba Cecil Stanley Pilgrim spoke at the ceremony. Morejon expressed Cuba's satisfaction in celebrating the anniversary and spoke of the Guyanese people's struggle against the colonialists for its independence. Pilgrim said that Cuba's assistance in health matters was highly valued by the Guyanese. [Havana Domestic Service in Spanish 1100 GMT 27 May 80]

CSO: 3010

NATIONAL SECURITY NOT THREATENED BY SOVIET AID, SAYS RIVA

Buenos Aires CONVICCIÓN in Spanish 27 Apr 80 p 9

[Text] Defense Minister RAdm David de la Riva does not believe that technical cooperation between the Soviet Union and Argentina can have a negative effect on national security and also proved confident in the favorable course of negotiations being conducted in the Vatican in connection with the boundary conflict with Chile in the southern zone.

De la Riva, who is in Salta to attend the blessing of the uniforms of students at the local naval high school, made these statements to the daily *EL TRIBUNO* in that city on various aspects of national security.

In this respect, the Minister played down the effect of technical cooperation by the USSR upon national security and assured us that "if we are calm as to what we are and what we feel, then there is no danger in technical cooperation with countries that have ideologies different from ours."

As far as negotiations over the Beagle Canal in the Holy See are concerned, de la Riva stressed the fact that "the history of mediation by the Catholic Church has been one of prudence, patience and intelligence" and he expressed his confidence in the result since "the problem of the Beagle is being handled by a mediator and that mediator is the Pope."

He made it clear that, therefore, "this calm on the part of the Chilean authorities is shared by Argentina's authorities."

He also emphasized that "those who look at the situation in other countries should realize that Argentina is the most secure, the most tranquil and, I would say, the happiest country in the world."

5058
CSO: 3010

ARGENTINA

'REASONABLE' RELATIONS WITH U.S., USSR TO SERVE NATIONAL ADMS

Buenos Aires CONVICCION in Spanish 25 Apr 80 p 24

[Article by Mariano Montemayor: "The Policy of Argentina With Respect to the United States and the USSR"]

[Text] In the era of national states, nobody doubts that foreign policy is the projection of the interests and ideals of those states upon the international scene.

We are now living in the age of national states because the world community has not discovered a better form of political association although, in contrast to the 19th century and the start of the 20th century, few people doubt that absolute sovereignty exists.

Sovereignty means the power of the state not to recognise any limitations upon it other than those determined by it; it is a notion which, in our time, is beginning to be revised or amended on the basis of another impressive fact: the growing interdependence between states.

No state wants to be dependent on another power. Nor does any state we know of maintain that it can be autarchic. Economic necessities, the technology explosion in production processes, communications in a planetary context, the financial resources necessary for the kind of advancement which all nations desire, and even the appearance of terrifying instruments of destruction, such as nuclear arms, have caused the universe to shrink. They provided the impetus for persuading the countries to understand that, although they are sovereign, they are also interdependent and that many achievements of their specific goals involve the road of intelligent cooperation.

In the economic area we are thus witnessing the appearance of the phenomenon of the so-called multinational corporations. They are not the result of capitalist concentration in its "agony," as predicted by Karl Marx, but rather spring from the expansion of a capitalism which, in combination with fabulous technological gains, can make positive contributions to mankind.

The New Facts of Life

All "reasonable" politicians of the world, including leaders of countries with Marxist regimes, have realized that the multinational corporations are a fact of life and are aimed only at their growing development and maximum profits. They represent a tremendous power and they can therefore be used to promote the prosperity of nations which otherwise would take many generations to solve huge problems. Today it is almost a commonplace to maintain that "the reasonable thing" is to negotiate with the gigantic corporations, seeking to reconcile their interests with national objectives. It is a good thing to be a partner. It is suicidal to become their employee. But, along with the economic aspects, there is also another phenomenon of our time which cannot be ignored in an adequate analysis of international relations. In his "Memoirs," former Secretary of State Henry Kissinger writes the following: "During periods such as the present one, heavily influenced by ideology, political loyalties no longer coincide with national boundaries." Perhaps it would have been more correct to proclaim that "they do not always coincide with national boundaries" but, in the end, one cannot make Kissinger say that which he does not say in the first place. It is true that the United States statesman is correct--although this is not of course his own discovery--in describing the appearance of a certain by no means utopian and on occasion dramatic dose of transnationality.

In the modern world, countries are obligated to defend their interests and the systems of spiritual values that govern them. Parallel to that they must take into account the fact that not only those interests exist in the universe by themselves and that therefore reconciliation and negotiations are the irreplaceable instruments of their action. This strip within which the interest of one state is superposed upon or conflicts with that of another one is what we can define as the transnational strip.

Argentina and the United States Flip-flop

Argentina's foreign policy cannot avoid these general considerations. Because of the importance of the superpowers, it is a good idea to clarify the meaning and content of Argentina's foreign policy toward the United States and the Soviet Union.

Everybody knows that relations between Argentina and the United States have frequently been marked by periods of tension. We are not going to try to write a historical study here but it is impossible to fail to note that various circumstances produced these disagreements.

At the dawn of the so-called inter-American system, Argentina--whose big "friendly" power was Great Britain--rather reluctantly entered a Panamerican union where the United States, almost without trying to conceal it, was

trying to advance its own hegemonic claims.

Argentina's national sensitivity never tolerated the famous policy of the "big stick" and the pronounced "isolationism" of Yrigoyen was a faithful reflection of profound tendencies in Argentine society.

Then came the years of World War II and the country's "neutralism" marked one of the moments of most acute friction with the neighbors to the North.

Peron's "third position," more rhetorical than effective, did not contribute to the establishment of solid relations with Washington either. The fact that, at the end of his administration, the former president maintained close bonds with the State Department did not alter too much that natural inclination so that understanding declined for any reason, no matter how minor it may have been.

In spite of everything, the latest events mark a positive advance in the "reasonable nature" of Argentina's foreign policy on this score.

The United States is our "natural ally" in the current political-ideological topography of the world. The key consists in neither becoming once again unconditional on the basis of this extremely important fact nor providing any backing for a puerile or suicidal attitude. The United States, on the other hand, in terms of intelligent and mature relations with that country, constitutes a decisive factor in obtaining major and unpostponable objectives especially in the economic field.

From technological contributions all the way to financial assistance, including smooth-flowing, diversified, and fair trade, everything indicates that organic, imaginative, and clear relationships with Washington will serve our common interest.

In this case we apply the same rule as the one which is advisable in dealing with multinational corporations. With a view to the high national interest, this means that we must become partners and that we must not become employees. The international experience of scores of countries, including some behind the "Iron Curtain," shows that this is not utopian.

Argentina and the Soviet Bear

The Soviet Union presents more complex aspects to be considered. In order to establish what kind of "reasonable" relations Argentina can maintain with the Soviet Union, it is necessary briefly to examine the nature of the Kremlin's power. The Soviet Union, first of all, still has within it considerable ethnic minorities and that is the other problem; but right now it is acting on the international stage as if it were a national state. It has a seat in the United Nations and in the other international organizations

and Argentina maintains diplomatic relations with it, careful to maintain its posture of "nonintervention" in the internal affairs of other countries. The system of values prevailing in Soviet society obviously is not the one we have in Argentina but changing it or not changing it is a matter for the Soviets themselves. At the same time however the Soviet Union is based on a Marxist ideology which is essentially expansion-oriented. The Soviet Union historically embodies a messianic ideology which does not admit any compromise and which needs and not only desires to exchange one world for another.

When it acts from this perspective or from that foundation, then the Soviet Union is a revolutionary superpower. If we clearly keep in mind two factors which are intertwined in the Kremlin's policy, then we will come up with a clear outline of an adequate policy toward the Soviet Union.

Faithful to our principle of "nonintervention"--to the extent that the Soviet Union acts as a "national power"--we can maintain normal relations with it. This applies above all to the area of trade. Until the chill resulting from aggression against Afghanistan, even the United States set a perfect example in this matter. The Chase-Manhattan Bank had opened a branch on Red Square and economic and technological traffic kept growing.

A different attitude is involved in the logic in response to action by the Soviet Union as a function of its character as a "revolutionary power." It is our obligation to fight against any attempt at exporting Marxism because the latter is irreconcilable with Argentina's innermost concept of existence. We can purchase turbines from the Soviet Union but not the class struggle; we can sell wheat to the Soviet Union but in return we cannot accept the materialist version of life.

5058
CSO: 3010

COLUMNIST DISCUSSES ELECTION ALTERNATIVES

La Paz PRESENCIA in Spanish 10 Apr 80 p 3

[Article by Jose Monje Roca: "Political Truce: How Long?"; passage enclosed in slantlines printed in boldface]

[Text] With more luck than skill, the government is weathering the gales that lash its flimsy structure.

Now that the November crisis is over and the terrorist activities that culminated with the treacherous murder of Father Espinal are pacified--to some degree--we have entered a temporary calm.

Civilian groups do not lose an opportunity to knock on the doors of the barracks to goad the ambitions of some soldiers--certainly few--and urge them to rise up in arms and attack the legally established power in order to cogovern with a leader with no other aspirations than to satisfy his personal appetites.

The conduct of those civilians is alien to the exercise of the free expression and will of the people to elect their governors and is condemned by all.

If the coup succeeds, the civilians wear laurels. If it fails, all the responsibility falls on the armed forces. The pages of our history are filled with such events.

How far does this truce go?

The political forces form more and more parties each day; so far, though, they have not been able to form solid fronts with broad popular support. They have not offered the people feasible alternatives to confront and solve the moral, economic and social crisis in the country. There are no new men or new ideas.

Social malaise is increasing. The economic demands of many sectors exceed the possibilities of the country. Strikes are a common occurrence. Economically the country is 2 years behind.

The demands are just but far from the economic reality in which we live.

The new president must be elected by an absolute majority of the votes cast. No one can say yet that a candidate will win that majority. The candidates are the same: Dr Paz for the MNRA [Authentic Nationalist Revolutionary Movement] and Dr Siles Zuazo for the UDP [People's Democratic Union]. It is likely that, due to strategy and tactics, General Banzer will not run as a presidential candidate but will yield to another member of the ADN [Nationalist Democratic Action]. Dr Jordan Pando's candidacy will take votes away from Paz and Siles. The UDP has internal disagreements due to the nomination of the vice presidential candidate. This can cause division and even the withdrawal of some of its members.

As things stand, we will return to the same situation as in August 1979: without a winner for president. Congress will have to appoint a president. Experience has demonstrated to us that no one will concede to anyone else. In the end, the recent history of 1979 will be repeated and an interim president will be appointed--to convoke new elections?

We have a president without power, a government without support and a legislative branch obstructing the executive branch!

/The country cannot progress/ under those conditions.

What do the FFAA [Armed Forces], the COB [Bolivian Labor Federation] and the independent citizens--the first two real sources of power--think?

Would a government with both--/which would be the ideal/--end the obstruction?

Will there be a coup d'etat by the FFAA in alliance with the COB or a civil war that will bring as a corollary the physical disintegration of the country at the hands of our neighbors?

The Constitution does not recognize leaderships or guardianships of any type to any institution. It delineates and specifies functions for each and every one within the national context.

I ask:

If the political forces lack unity and are splintered and refuse to seek points of agreement in the national interest, placing the party before the fatherland;

If the COB continues to participate in politics due to the irresponsibility of the parties in solving national problems, persists in its blind and harmful antimilitarism and secludes itself and refuses to make contact with the FFAA about aspects of national interest.

If the FFAA--part of the Bolivian people and the most organized and disciplined institution--does not open a constructive dialog with the COB political groups which have the same goals for the good of the country and if, as today, it refuses--and I believe in good faith--to participate in the government, clinging to the letter of the Constitution with the hard-and-fast idea that the FFAA will not argue, /what is going to happen in Bolivia/?

No matter what they say, fronts are formed in defense of the democratic process. There will be no other solution--forced by the circumstances--than for the FFAA to take the reins of power with the agreement of the politically uncommitted citizenry.

Without order, there is no democracy. Without respect for the law, there is no democracy. With anarchy, there is no democracy. Without work and production, there is no democracy nor development.

Obviously, the solution is not ideal. Who is forcing this? No one other than the bigmouth "defenders" of this democracy since they do everything contrary to what they say.

To give opinions and suggestions in an atmosphere of /democracy/--we are living in a relative democracy--is permitted; thus I am a fervent democrat and I permit myself to propose the following.

There should be an open dialog, mainly involving the FFAA, the COB, the Executive Branch and the Legislative Branch representing the parties, Bolivian University, a delegation of peasants and private enterprise.

They should go, leaving behind all their prejudices, hatreds and resentments. They should go with sincere hearts and clear heads to seek the /great national encounter/ that lights the way we Bolivians must travel to overcome the chaos and anarchy, the poverty, misery and immorality.

Many will say that that encounter would be "bedlam." If there is no sincerity and honesty, if we forget our fatherland, this will be true and one or a thousand meetings will not help.

We are capsizing as a state, as a country and as a nation.

Will we be totally shipwrecked for lack of noble spirit or love of our fatherland or for refusing to participate in collective renunciations and sacrifices?

7717
CSO: 3010

BOLIVIA

ARMY CHIEF CLAIMS CIVILIAN SUPPORT

La Paz PRESENCIA in Spanish 18 Apr 80 p 11

[Text] Gen Luis Garcia Meza, commander general of the army, said yesterday that the head of intelligence, Col Luis Arce Gomez, will be tried in the military courts because he was accused by Anibal Aguilar Penarrieta of having planned the murder of Father Luis Espinal. He will, however, continue to exercise his present duties.

Concerning the conflict with some legislators caused by his appointment, the new commander general of the army said he will "not lower himself to their level" to reply.

He mentioned the president of the Senate, Walter Guevara Arze. The Senate published a notice about the illegal appointment of General Garcia Meza. He said that "Guevara hid in the Senate and brought up things that were not pertinent to the case."

Military-Peasant Pact

The commander general of the army made those statements after an awards ceremony for Gen Ruben Rocha Patino.

He stated that the peasants "have expressed their disagreement with the activities of the political parties in the rural area" and, for that reason, "they have asked that the military-peasant pact be renewed."

He indicated that that request "has been placed under consideration by the FFAA [Armed Forces]." He said the political parties "have penetrated the rural area with proselytizing objectives, without offering any solution to the many problems that exist (in rural areas) and require constant attention."

Without indicating which peasant sectors made that request, General Garcia Meza said: "They are the same peasants who want to participate more actively in national life."

Elections

When asked about the way the FFAA will act in the next general elections, the commander of the army responded: "As citizens, all the members (of the FFAA) are going to vote as the other citizens will."

Concerning probable changes in military commands, he indicated that "that possibility will be studied to fill the vacancies in the National Security Council, the Military College and other division commands."

He said that there is unity in all the cadres of the FFAA which, at this time, "has a solid structure. We will elevate some positions."

He noted: "We will continue with the implementation of development plans and programs planned by Busch and Villarroel to benefit the people and the military institution."

Gratitude

Lastly, General Garcia Meza read a written statement about the support given to him. The text was as follows:

"The commander general of the army, Div Gen Luis Garcia Meza, cordially thanks everyone for the expressions of support and friendship that he has received upon assuming such a high position.

"On this occasion, he wants to verify that all those manifestations show the full support of the citizenry for the military institution. In spite of the efforts of certain elements to spread misinformation and division in the heart of the FFAA, its unity becomes firmer and more unbreakable each day. Every effort to establish a dangerous separation between the people and the FFAA will fail because the country is convinced that the only force that can insure domestic peace, tranquillity in Bolivian homes and the normal development of national activities is the tutelary institution of the fatherland.

"Fortunately, no matter how much the demagogues and the enemies of the FFAA do, they do not receive any support from the good and aware sectors of the country. This can be proven easily by the constant testimony of friendship received daily by chiefs and officers, junior officers, noncommissioned officers and all the members of the FFAA.

"La Paz, 17 April 1980"

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BOLIVIA

ARMY CHIEF RUBEN ROCHA RESIGNS POST

La Paz PRESENCIA in Spanish 15 Apr 80 p 11

[Text] Div Gen Ruben Rocha Patino resigned from the general command of the army in a note addressed to President Lidia Gueiler Tejada dated Saturday, 12 April. He requested relief from the command and a new assignment in the armed forces. In his note, he stated that he worked hard "to convince the civilians and the military about the need to guarantee certain actions domestically and internationally to achieve the objectives of well-being and prosperity through political stability and respect for the constitutional precepts."

He noted, however, that his efforts did not achieve the proposed objective and he expressed his concern for the future of the country. He pointed out that there was obedience to the natural chain of command except for some commanders "who do not represent the general philosophy of the army." He said that he sought to preserve institutional unity in the exercise of his command and that, as a soldier of honor, he had fulfilled his duties.

He requested relief from his post and a new assignment so that the president could solve the problem of the general command of the army with the broadest freedom.

This is the letter of resignation from Gen Ruben Rocha Patino:

"La Paz, 12 April 1980
"Mrs Lidia Gueiler Tejada
"Interim Constitutional President of the Republic of Bolivia

"Esteemed President:

"I assumed the responsibility of commander general of the army at a time when the fatherland, particularly the military institution, was in a crisis as a consequence of the events of November 1979. Since then, my conduct has been steadfast and always at the service of the consolidation of the democratic process as you and all my comrades in the armed forces can verify.

"Convinced of the need for political stability based on the popular and legitimate will through the constitutional precepts which guarantee sustained action on the domestic front and in foreign relations to achieve the quickest achievement of the national objectives of well-being and prosperity, I have tried to persuade civilians and military of this need. Unfortunately, this conduct not only has not been successful but has hurt the interests of those who think the opposite for reasons that can easily be determined. Since this is your responsibility, I reveal to you my deep concern for the future of the fatherland and its institutions.

"Madam president, you know that the major military units, institutes and divisions in the army have conscientiously obeyed the natural chain of command except for some commanders who do not represent the general philosophy of the army. Nevertheless, as a soldier of honor, I do not want my comrades to think that I am indebted to anyone nor that I am a cause for division in the heart of the institution. I am a soldier who is indebted to the fatherland, without ambitions of any type. If I have reached the highest military rank, it is because my career has consisted of the constant practice of loyalty and civic-mindedness which cannot be sullied by anyone.

"During the brief period that I was able to hold the high position of commander general of the army, I fulfilled my duty with selflessness, devoting my efforts to preserving institutional unity, the moral strengthening of cadres and troops and, particularly, the fulfillment of the specific function indicated by the Constitution.

"So that you can solve the problem of the general command of the army with the broadest freedom, I respectfully request that you deign to relieve me of my high responsibility and assign me to the post that you believe will be appropriate for national interest.

"With this motive, I reassure you of my attentive consideration.

"'The sea belongs to us by right; to recover it is a duty.'

"(Signed) Div Gen Ruben Rocha Patino, commander general of the army"

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CSO: 3010

OPUS DEI INFLUENCE ON PRESS, POLITICS EXAMINED

Santiago ~~ENCILLA~~ in Spanish 7 May 80 pp 14-16

[Article by M. Isabel Fernandez]

[Excerpts] "What do I care whether he is a minister or a street sweeper? What matters to me is if he becomes holy through his work."

Monsignor Josemaria Escriva de Balaguer, founder of Opus Dei, gave that short, to-the-point answer in 1957 to a high-ranking Spanish official who congratulated him because a member of the institution had been named to a cabinet post in Spain.

Thus, with a few words he cut short the false praise. At the same time, he summed up his thought, which formed the basis of the association he founded in 1928: finding God through one's daily work, regardless of earthly conditions or prestige, or political orientation. That is a personal matter for each member, having no effect on the institution itself, which remains aloof from temporal issues.

More than 20 years later, 5 years after his death, his followers give the same answer to those who, in various parts of the world, continue to attempt to label Opus Dei as a center of secret, organized political power which keeps a hand in temporal or civic affairs.

In Chile there is no shortage of people who share that opinion. We can still hear the echoes of the criticism expressed by certain political groups that launched extensive attacks on that institution after Gonzalo Vial resigned from the Education Ministry.

In a morning paper in Santiago, some columnists reported that the former minister was a member of Opus Dei, and that from his high office he intended to distort the methodology of education in accordance with "the occult objectives of Opus Dei."

They were not alone. Afterwards it was learned that Vial's supposed membership in that organization was reported directly to Diego Portales by someone linked to the Ministry of Education itself, and that high-ranking officials

urged that he be asked to leave. At that time the influence of some academics from the University of Chile was not discounted.

Gonzalo Vial as well as Opus Dei both publicly denied he was a member of that apostolic institution.

Post-Philippines Plot

However, the pieces in this political chess game were being maneuvered before the checkmate took place.

As early as March of last year, one of those columnists expressed the fear that "a certain religious philosophy" was taking over Chilean education "unbeknownst to the majority, much to the delight of its secret supporters." In his opinion, these supporters were the members of Opus Dei, whom he called "a fanatic, intransigent clique."

Other groups added their voices to this opinion, among them being the Masons. With a greater or lesser degree of subtlety, they claimed that Opus Dei influences all government sectors, the civilian ministers, the economic team, the most powerful mass media and important private companies.

Meanwhile, various members of Opus Dei declared that this black legend was so far from the association's true missions that it was a joke, something which did not merit the serious attention of anyone who was remotely aware of the real people and work involved in Opus Dei.

After Vial's removal, when the controversy seemed to be subsiding, Hernan Cubillos' resignation sparked the flames once again. Although at that time the debate centered on the foreign policy which the latter had imposed, and on the causes of the president's failure in the Philippines, we did not fail to hear from the same sectors loud complaints about a possible "plot," hatched in Chile, designed to ruin President Pinochet's reputation. Among the "plotters," they rumored, were Cubillos himself, Gonzalo Vial, the Commission on Constitutional Studies, QUE PASA, the economic team, EL MERCURIO and . . . Opus Dei.

Today that institution's detractors make no bones about their opinions. Although such criticism is heard less and less, and there are now only three spokesmen for that point of view (the others prefer to remain anonymous), they insist that Opus Dei is just one more group in the political game. But when it came time to back up the criticism, they chose to avoid the issue. One of them simply said: "What I think on that matter has already been said, and if any new light is shed on the subject I will let you know in due time."

When asked about this comment, an Opus Dei member stated: "Thus, this entire campaign is a comedy of errors; its only basis, Vial's and others' membership in Opus Dei, is completely false: a mere invention."

Firsthand

In fact, on the sidelines of this controversy are the hundreds of Chilean members of Opus Dei, who don't seem to be too upset about this campaign. Quite the contrary: They shake off such accusations as "gratuitous and capricious." They say this because they feel that their life of work, prayer, sacraments and apostolate is very alien to the intention their accusers have of "squeezing Opus Dei into one of the variables of their narrow political spectrum."

This does not prevent them from attempting to clear up the origins and objectives of those accusations. Jose Miguel Ibanez, a priest in that institution, talked in a separate interview (see page 17) about the most controversial issues covered by that criticism. His points of view, along with those of other Opus Dei members, were compiled by ERGILLA in an effort to clarify matters and to satisfy the desire of many readers to obtain firsthand knowledge of the origin and objectives maintained and practiced by the association in Chile and throughout the world.

Jose Miguel Ibanez Interviewed

According to his friends, he joined Opus Dei through a serendipitous sequence of events. He was almost 20 years old, and one Saturday afternoon he was faced with two choices: a party, or a meditation sponsored by Opus Dei at a university campus. He did not hesitate to opt for the first choice, and he walked to the closest busstop. However, fate determined that the bus would be behind schedule that day. Tired of waiting, he crossed the street to the busstop there, and in a few minutes he was participating for the first time in an Opus Dei meditation.

From that moment on, all his footsteps have followed the path of God, through Opus Dei. Ordained as a priest in 1960, Jose Miguel Ibanez is today one of the most familiar faces of the association. Poet, literary critic, journalist and doctor of philosophy, he answered ERGILLA's questions on a variety of subjects without beating about the bush.

[Question] It has been said that Opus Dei has or has had influence on the present government, and that the institution has lost power with the departure of Gonzalo Vial and Hernan Cubillos. What is the basis for this opinion?

[Answer] There is absolutely none. Similar rumors were flying about during the governments of Alessandri, Frei and even Allende. The basis is always the same: nothing. Since Opus Dei has existed in Chile, for the last 30 years, you could count on the fingers of one hand the members who have held public office, and even then they were minor positions. The same thing is true of this government. Furthermore, even if there were many such cases, that would not implicate Opus Dei at all: its members act on their own, running their own risks, and for that reason they have very different political ideas.

[Question] But in fact, didn't former Ministers Vial and Cubillos belong to that institution at one time?

[Answer] No. Those are pure lies. I have read alleged lists of Opus Dei members that include not only Catholics like them, but also Protestants, atheists, Catholics that were not married by the Church, etc. All we need to endorse us are some Mormons and Buddhists to complete the fantastic movie plot they have created, which should begin like this: "Any resemblance between the real Opus Dei and the version we have portrayed here is mere coincidence."

[Question] So to what do you attribute these accusations? What is their purpose?

[Answer] They are due to the professional distortion of certain politicians who see everything with blinders on. They cannot imagine that a group of people could join together for non-political ends. Nor can they see or prove any end of that nature in Opus Dei, so they invent it and call it "occult," "underground." I am not bewitched, but if someone asks me to prove that there are no goblins under my bed, the only thing I can do is invite him to look under my bed. If he sees nothing but insists that the goblins are there but are invisible, isn't he the one who is bewitched? Unfortunately, politics often produces such bewitchment. Let them search us. . .

[Question] Do you mean by that that the organization has nothing to do with politics, economics or any other worldly issue?

[Answer] Opus Dei as an institution has nothing to do with those affairs; it does not require its members to follow any given line in those spheres, just the common, generic factor of the Church's doctrine. That is because Opus Dei has no temporal objectives of any sort. Its end is strictly supernatural: sanctity and apostolicity in the middle of this world. Now, because its members are laymen who live in this world, they do not ignore temporal problems; they become involved in them just like any other citizen. But they become involved personally, with their own freedom and responsibility.

Therefore, Opus Dei has no role whatsoever in such activities by its members. As a result, Opus Dei advocates the broadest political, social, and cultural pluralism among its members. In politics, there are all kinds, from either side of the spectrum to the middle. But always within the limits of the Church: you'll not find any communists or nazis among us. Anyone who can be a Catholic can also be a member of Opus Dei, with the same freedom and personal conscience.

[Question] There is no doubt, however, that Opus Dei is intensely interested in education, which is why it is acquiring more and more schools, such as Tabancura, Los Andes, Huélen. . .

[Answer] Those schools do not belong to Opus Dei, nor is that organization responsible for them. They belong to the parents, who have put Opus Dei in charge of spiritual leadership. Members of Opus Dei work there together with other people who are not members. They work, then, as individuals, as do other members in other schools, liceums or universities.

[Question] Do you think it is true that, as some say, there is a conflict between Opus Dei and the Freemasons regarding education?

[Answer] I have no idea, because I do not work in that field. In any case, it seems a simplistic and even quaint idea. As far as Opus Dei is concerned, it does not fight for anything or against anyone. It simply minds its own business in a positive way, and its business is education. Moreover, I have some good friends who are Masons, and although we think differently, we get along fine. People like to label things.

Spain: Origin of a Legend

[Question] There has also been talk of the growing power of Opus Dei in the press (EL MERCURIO, QUE PASA) as well as in banking and various enterprises. Is there some link?

[Answer] Speaking of simplistic and quaint labels, that one takes the cake. QUE PASA in Opus Dei's power? I don't want to offend anyone, but that magazine has broken the national record in the number of erroneous and ambiguous references to Opus Dei. As far as EL MERCURIO is concerned, there are only two Opus Dei journalists who work there. Just two: Elena Vial on APUNTES and myself as literary critic. I don't think either one of us is a fool, but it would be a great tribute to our intelligence to claim we were the brains who ruled that enormous business from the shadows. Do I have to repeat for the millionth time that Arturo Fontaine and Cristian Zegers and Herngenes Pérez de Arce, among others, are not members of Opus Dei?

The same thing is true of any other type of journalistic, industrial or financial enterprise. To people of a certain mentality, it is enough for a doorman or elevator operator working at the Bank of Chile, for example, to be a member of Opus Dei, for them to think that there are surreptitious ties between that enterprise and Opus Dei. Judging by those standards, we will soon be rulers of the entire world. This despite the fact that we keep repeating ad infinitum the naked truth: that Opus Dei, given its exclusively spiritual purposes, is not involved in the personal work of its members.

[Question] It is surprising that it is not just in Chile that Opus Dei is being "accused" of getting mixed up in temporal politics. This also happened in Spain, in a very different situation and time. How do you explain that?

[Answer] I am not surprised that bad faith, foolishness and parrottry are widespread on this planet, nor that they are transmitted through contagion.

Spain is, in fact, the origin of that black legend. I know it well, because I was studying in Spain when it began. The point of departure was the appointment of two Opus Dei members as ministers under Franco. What does that have to do with anything? Why couldn't a citizen, a faithful Catholic, a man like any other, become minister, if he was qualified for the job?

The lie being spread was that "Opus Dei has taken power." However, at that time I knew university students who were members of Opus Dei and who were beaten by Franco's police. I knew Opus Dei workers who went on strike with their co-workers and were repressed by the government. I knew Opus Dei journalists whose articles were censored or banned; I even knew members who had to go into political exile. However, they did not make the news: just the two ministers. This blindness is what should surprise you, and more so if it is repeated now in Chile. We've had enough of the absurd rumors spread by people who know Opus Dei about as well as I know the planet Jupiter.

[Question] Aside from the criticism, it is a fact that Opus Dei has opened up new territory for lay Catholics. Is this the basis of the strength that has been able to arouse the enthusiasm of so many people?

[Answer] Certainly. It is natural for a true Catholic who means well but is perhaps a little lukewarm or remiss, to feel that he has discovered a new world, a Mediterranean, when he learns (with the knowledge of the whole person, not that of vague abstractions) that God Himself is present in each minute of his life, asking him for all his love and all his energy. In the words of our founder: 'My children, wherever your fellow human beings are, wherever your aspirations, your work, and your loves are, there is where you will have a daily encounter with Christ. It is amid the most material things on earth where we must sanctify ourselves, serving God and all men. . . Know it well: There is a holy, divine, hidden something in the most common situations, which each and every one of you must discover.' That is enough to excite a lot of people, right?

[Question] Finally, how much has the personality of Monsignor Josemaria Escriva de Balaguer influenced the physiognomy of Opus Dei?

[Answer] Absolutely. He is the living personification of the spirit that God wanted for Opus Dei. He had all the qualities that are impossible to imagine, in the abstract, combined in a single person. He had a will of iron, the heart of father, mother and child, a clairvoyant intelligence, a prodigious sense of humor, a disarming simplicity, a contagious gaiety. . . From the moral and spiritual point of view, he is the living model of what every member of Opus Dei tries to be. He is the mirror which helps us imitate Christ.

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CHILE

BRIEFS

NEW LABOR UNDER SECRETARY--(Luis Alberto Camus) has been named as the new labor under secretary. (Camus) was the former under secretary of the Ministry of Mines, and he replaces (Jose Tomas Huratado), who has been named vice president of the Chilean University's television corporation. (Maria Teresa Canas) has been named interim under secretary of the Ministry of Mines. [PY151539 Santiago Domestic Service in Spanish 1100 GMT 15 May 80]

CSO: 3010

UNITY COALITION WINS LEGISLATURE LEADERSHIP

San Jose LA REPUBLICA in Spanish 3 May 80 p 4

[Text] The Unity coalition has won the leadership of the legislature. This repeats the pattern established at the beginning of this administration. Politically speaking, the most important conclusion is that the choice of the leadership has opened the possibility of a more constructive dialogue which will probably help to ease most of the stagnation prevailing in Congress.

As a result of the serious weakening the majority factions have suffered, it has been impossible to develop a coherent legislative program that can deal with the country's crisis. The communist deputies have gained influence. United People, a minority party with only three representatives, has succeeded in displacing the majority parties, and it will probably continue to gain ground as those groups continue to act erratically.

The communists have often supplied the leading ideas on the legislative handling of various matters. They have vigorously won many political victories. They have often won those victories due to the inaction of the majority parties.

But that point is something which is vexing the leaders of those parties, who are now trying to form an alliance to reduce United People's influence in Congress and other areas. The matter is in fact a hot topic in the political and legislative field. They feel that, after all, the Liberation party and the Unity coalition have a somewhat similar philosophy in the social and economic areas. That challenge by the "big" political parties could be operating within 2 years.

That fundamental change in position is basically aimed toward recovering the leadership in the social area and in other areas where communism has decisive power. Luis Alberto Monge's victory as a presidential candidate is a positive element in setting into motion those ideas that have emerged in Congress. The election of Dr Rafael Alberto Grillo, moreover, suggests that the plan that some are trying hard to put forward could become a reality. Grillo has stated that he favors that constructive dialogue.

A political definition within the Liberation party such as the choice of the presidential candidate could pave the way for that supraparty effort to confront the crisis. "I am willing to join with Carazo, with anyone, to reach that goal," Monge said recently.

Up to now all such efforts have failed. As Popular Front deputy Rodolfo Cerdas Cruz indicated on 1 May, no clear game rules for the internal life of the legislature have yet been established.

The experiment now being attempted could be favored by the appearance of those new elements. But with those changes and definitions the majority parties' ideas could also lose validity if the struggle that the Unity coalition has barely begun for nomination of the presidential candidate (this will take place in a year) becomes the cause of internal division. Very simply, that electoral struggle may bring matters to the breaking point, perpetuate the present situation and frustrate the efforts of the majority democratic parties to become the standard bearers of the popular struggle, a function in which they hope to take the communists' place. The reasons why this might happen are many and probable. It will all depend on whether the feeling is determined to be only anticomunist, or to spring from a genuine interest in resolving the economic and social crisis. Severe criticism of the government will certainly not be absent, and the government will be termed inefficient and incompetent to deal with these social and economic problems and the main source of agitation in the country.

There will also be confrontations between Unity and Liberation party deputies. But that is logical, since those talking about the possibility do not think that the "arrangement" should be based on sacrificing party autonomy.

These situations seem contradictory, and they are obviously very complex. But they can only be faced by getting used to the idea that we must put the country's interests first. And if problems like those mentioned here are based on selfish and self-interested motives, as many think they are, in that case the only way to control the anomalies is by thinking of the national interest and intelligently overcoming their causes.

These contradictory values leave a wide margin for leaders and political forces of various orientations to find their way toward the solution of the most serious national problems.

How much longer will those decisions be postponed? How much success will there be in achieving those goals? Certainly it will depend on the attention those organizations give toward their achievement in the days to come.

The debate beginning Monday in Congress on President Carazo's speech may be significant in this connection. We will have to see what happens.

It must be remembered that the communists are also aware of those plans. One of the most impetuous of them, Mario Devandas Brenes, has said, "We know about it, but we came here to fight, not to play games."

COMMENTARY ON U.S. ACTION IN IRAN, VANCE RESIGNATION

Rescue Operation Analyzed

Havana JUVENTUD REBELDE in Spanish 25 Apr 80 p 6

[Article by Moises Saab Lorenzo: "Obscure Factors in a Secret Operation"]

[Text] The obscure and contradictory statements on the unsuccessful commando operation with which the U.S. president was planning to bring out the hostages of its embassy in the Iranian capital by force, notably complicated the possibility of establishing a clearcut judgment on the reasons for the failure and on the operation itself.

However, political analysts, for whom the growing tension in the south-east Asia region, particularly Iran, is a daily concern, appraise the result of the operation and the future consequences it will have on a world level as being very adverse for Washington.

The facts, based on two stories, that of President Carter and that of the Iranian Joint Staffs, are:

- 1) A military operation would be undertaken by the United States in the territory of another nation, Iran, without a prior declaration of war and moreover, in violation of a law of the executing country, a law which calls for the approval of Congress for such actions, a requirement which was not complied with.
- 2) The operation itself, because of its logistic complications and because of the broad margin for failure imposed on it by the geographic characteristics of the terrain where it would be executed, constituted too broad a risk to allow it to be executed under present circumstances.
- 2a) The total of casualties it could cause among the civilian population of the Iranian capital, permanently mobilized, particularly in the area of the U.S. embassy.

2b) The real possibility of rescuing the majority of the hostages alive, hostages who are constantly under guard, was obviously minimal.

3) The commitment, especially for the Atlantic allies of Washington, who assert that they were not consulted on the operation and that 48 hours before that they had agreed on a number of restrictive measures of a trade and diplomatic nature against Iran, certainly under very insistent pressure from the U.S. president via his secretary of state and several special envoys.

According to available information, the United States had been ultra-secretly preparing a military commando operation in the desert area of Iran for the purpose of rescuing the 50 hostages, who are under guard by student followers of Iman Khomeini, accused of subversive activities against the Islamic Republic.

The Iranian government, in turn, demanded in exchange for returning the hostages, that the United States extradite the overthrown Shah, who would be subjected to a trial, and return the money, which in fabulous sums, he had embezzled. Moreover, the United States was to promise explicitly and publicly that it would never intervene in the internal affairs of the country again and it would acknowledge its crimes against the Iranian people.

Early today, U.S. press secretary Jody Powell announced that "an operation underway for the rescue of the hostages had been called off due to a mechanical failure."

Other dispatches asserted that the operation never even began and that the accident which resulted in the death of eight U.S. military men and injuries to an undetermined number of personnel took place during the evacuation of the group.

In contrast, a communique from the Iranian Army Joint Staffs carried by TASS declared that the aircraft crashed after being chased by Iranian planes.

From the position of those responsible for the operation, it is valid to ask oneself what opinion they had as to the real chances for success of the attack, considering that they had to fly 600 kilometers from the point of departure and an even longer distance for the evacuation, which had to end at least in Egypt (from where, according to the wire agencies, the Hercules C-130, which would serve as the mother ship for the helicopter which was to land in the embassy yard, departed).

Such a distance in an aircraft as visible as a C-130, supposing that it had been considered sufficient to carry the equipment, men and ammunition needed for the operation, offers a very big chance for detection and such a high loss risk that it is a real stupidity to send it by itself.

The protection needed for this aircraft should be based on a squadron of fighter-bombers, which substantially increases the possibility of discovery and increases the level of political commitment because it would no longer be a commando operation but a punitive action as described by law, if you will pardon the paradox of using the term to describe such an illegal action.

For this commentator, the unknown aspect of the operation are the military men who perforce had to be aware of the high rate of risk against it. It is well-known that the elite of the Pentagon are not always willing to involve themselves in the plans of the president, much less if it presents, like the fiasco we are analysing, all the signs of a great publicity-electoral operation.

On the level of a purely political analysis, it is necessary to ask, granting that the operation had been carried out to a successful conclusion with ideal results, what would have been the reactions of the European allies of the United States and of Japan when faced by an event which is an insolent violation of the norms which govern relations among nations and the United Nations Charter.

Barely 48 hours ago, and basing themselves on the same reasoning, the nine members of the EEC (European Economic Community), had ordered discriminatory measures against Iran, ignoring the specific problems which pit Washington against Teheran and whose solution in every light is delayed by the U.S. obstinscy in protecting its former gendarme, Mohammad Reza Pahlavi.

If U.S. information that the operation was halted because of a questionable technical failure is accepted, the less compromising story for Washington, it is obvious that a piratical and irresponsible element was present in its planning and that, subsequently, the documents on the incident were to be shown publicly to support the image of a "strong man" which President Carter has tried to build since the end of last year.

However, it is improbable that an operation with so many peculiarities of political and military type, and in which so much was being gambled, could be halted because of mechanical reasons, particularly by a nation where military equipment is so highly sophisticated.

To this must be added the fact that in its preparation there must have been involved military personnel of vast experience, formed into a team highly specialized in actions of that type and in which equipment must necessarily be A-1.

From this group of factors three main conclusions can be drawn:

- a) The operation was to be carried out but it was detected by Iranian defenses and had to be hastily aborted.
- b) The military personnel involved in the execution of the plan did not openly oppose the operation but in view of the high degree of the chance of failure, they decided to abort it at any cost.
- c) Everything was a bluff effected to strengthen the public image of President Carter, a bluff carried out on the basis of unreliable information and the "actors" were discovered by Iranian aircraft, which broke up the ruse.

The three main possibilities lead one to think that the uproar that will follow will be of major proportions and will have a negative effect on the erratic foreign policy of President Carter and his principal adviser, Brzezinski, compromising capitalist Europe in an operation which destroys all the legalistic arguments on the status of the U.S. hostages and the Iranian position.

Domestically, however, it is possible that publicity experts conducting the Carter reelection campaign will present the event with the usual paternalism to which the great U.S. masses are subjected to make them think that "The president is concerned about a favorable solution to the problem of the hostages."

The results of the operation, however, cannot be more negative for U.S. positions before other nations, particularly the members of the Nonaligned Movement, who, although some of them will only do it secretly because of their commitments with Washington, will ask themselves how safe they are from a direct military aggression when they do not agree with U.S. designs.

Fascism Taking Over

Havana JUVENTUD REBELDE in Spanish 28 Apr 80 p 3

[Article by Moises Saab Lorenzo: "The Extrapolation of Power in the United States, Another Sign of Growing Fascistization"]

[Text] The resignation of U.S. Secretary of State Cyrus Vance mentioned after the collapse of the commando operation thought up by President Carter, and certainly by his main national security adviser, Zbigniew Brzezinski, to bring the U.S. hostages out of Iran by force, brings into the open the significant extrapolation of power taking place in the United States.

From the very beginning of the existence of the United States as such, in the aftermath of the 18th Century, the secretaries of state have had an important role in international policy as well as in directing internal affairs while being in the "third place" in the executive hierarchy, and many of them went on to become president.

One of the most prominent antecedents was John Quincy Adams, the fac-totum of President James Monroe, who prepared the theory which carries the name of the latter and which is also known as the "declaration of imperialist principles with respect to the rest of the American Continent."

As will be remembered, at that time the nascent United States opposed the influence of Great Britain, a result of the colonial domination it had exercised physically, as well as because of the predominance of its merchant fleet in foreign trade, which significantly limited the possibilities of expansion for U.S. industry, trade and above all, (note that "policy is the concentrated demonstration of the economy") its continental hegemony.

This being the state of things, with the industrial and technological development in conditions after World War I, and later the strengthening of the United States as the strongest capitalist power at the end of the decade of the 40's in this century, its industry, its financial capital and its technological development imprinted a very peculiar seal on its policy, which went from being eminently American to universal.

These characteristics in turn imposed changes in the direction of U.S. interests and somehow created the post, very *sui generis*, of national security adviser, the holder of which post is attaining more and more influence.

The most significant cases in this respect have been those of Henry Kissinger and now that of Zbigniew Brzezinski, who have been responsible for the preparation of the most important steps taken in recent times by U.S. foreign policy, with results which cannot be described in any other way than as resounding failures.

In the first presidential term of Richard M. Nixon, the clashes between Secretary of State William D. Rogers and the "grey eminence" of Henry Kissinger were well known, particularly with respect to the Middle East policy of the United States.

Rogers complained that he was not being informed about presidential decisions which concerned his ministry and bewailed the changes to which his Levantine policy was subjected under the influence of "Dear Henry," who had a proclivity for solutions similar to those advocated by him but marked by a frankly pro-Zionist seal.

It must be considered that the "step by step policy" in effect was the work of Rogers which was capitalized upon by Kissinger and whose results, the so-called Camp David Agreements are frankly a failure resulting from the impossibility of conciliating, despite everything that Sadat and his disguised and more or less witting allies say do, the dissimilar interests of the Palestine people and the revolutionary and progressive Arab countries and Zionist expansionism.

A cartoon which appeared at that time in a U.S. daily showed Kissinger and Rogers dressed as ballplayers standing on the mound, the former saying to the latter while making his windup: "Don't worry, you are the pitcher even if I throw the ball."

Today, barely 48 hours after the international political confusion caused by the unsuccessful commando attack on Teheran, that duality in the U.S. political superstructure becomes obvious with the resignation of Vance, who recently had already been condemned publicly when U.S. representative to the United Nations, Donald McHenry, voted in favor of a resolution, one of whose points condemned Israel.

At that time, after the screams from Tel Aviv and obviously the Zionist lobby pressures in Washington, Carter refuted the vote and explained it by blaming it on an alleged negligence by Vance at the time of receiving instructions from the president in one of the supersecret meetings which take place every week in the White House.

For observers who know the history of the meticulousness of Vance as a lawyer and his love for precision in details, it became obvious that the secretary of state had been "sacrificed" on the pyre of the great U.S. interests in the Levant and on a national level in exchange for the Jewish votes for the presidential nomination.

Vance on that occasion, with extreme sportsmanship, as is commonly said, "put his arm in the sling" and took the onus of public censure to protect his president.

However, the situation is different now. Constant trips and contacts by Vance with heads of government or state of the EEC to request support for the restrictive measures dictated by Washington against Iran for the purpose of obtaining the isolation of the old Persia, legalistic statements, an entire structure, in short, was destroyed in minutes because of the commando adventure for which Carter took the blame and who obviously had to have had the advice of Brzezinski and his approval, unlike Vance, who showed his disapproval with his resignation.

Who are these men, first Kissinger and now Brzezinski, who have all-embracing powers at the presidential level? What interests do they represent that authorize them to compromise the international prestige of the United States, if there is any left after the erratic actions of the past year, and what is much more important, international peace, which is certainly very tenuous under the present circumstances?

These questions require a very long theoretical answer but generally, they can be answered by turning to the U.S. imperialistic code which does not hesitate to sacrifice humanity to preserve its interests.

The extrapolation of power in the United States is not a momentary tendency but an obvious step in the fascistization of the government of that country caused by the superconcentration of the economy and the subsequent exacerbation of its imperialist condition.

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CUBAN EXILES TELL THEIR SAD TALES

Madrid BLANCO Y NEGRO in Spanish 16-22 Apr 80 pp 20-23

[Article by J. A.: "Why Are They Fleeing Cuba?"; passages enclosed in boldface printed in italics]

[Text] "When I left Cuba, I never thought that I was going to have such an adventure. I spent that day like any other. The only thing I did was look at the airport...."

That was the way Armando Socarras began the tale of his odyssey. Before he was 20 years old, he came to Madrid from Havana by traveling as a stow-away, hidden in the landing gear of an Iberian airplane--in the tiny space left in the recess that holds the wheels of the airplane.

This happened in the middle of 1969 and was the most famous escape from the Caribbean island since Dr Fidel Castro reached power. Today, little more than 10 years since that episode, almost 7,000 Cubans have been enclosed within the Peruvian Embassy in Havana since Saturday, 5 April. This demonstrates that even now unsurmountable obstacles persist in leaving the island. Many of its inhabitants have not stopped dreaming about fantastic ways to escape that vast labyrinth. To house such a large number of people, the 1,000 square meters of the Peruvian Embassy have been reduced to as small a space as that boy had in the Iberian airplane. However, something must make these thousands of refugees who are squeezed inside think that they have greater freedom of movement than they have had in recent years.

About 1 million Cubans now live outside their country. More than 600,000 --among them, of course, Armando Socarras himself--live in the United States which grants very interesting compensations to the airborne fugitives. There are about 12,000 or 14,000 people in Spain who have left Cuba since 1960. About 5,000 live in the capital, mainly in modest areas like Legazpi or La Concepcion. Many of them live in old pensions opened in some bygone time by their compatriots; others pass through the Red Cross shelter on Calle Tirso de Molina. The most fortunate ones--who are

in the minority--enjoy the solid /status/ of a prosperous business, an active profession or a secure and well-paid job in a multinational company.

The gamut of exiles ranges from the privileged who fled Cuba in the penultimate death throes of Fulgencio Batista to the ones who pinned their hopes on the Castro revolution but, with the passage of years, lost them. They all related incredible incidents involved in leaving the island and managed to compose a vivid and terrible tale of daily life in Cuba, its jails and the /"climate of anguish"/ that reigns in its streets (which ends by smothering all satisfaction in the praiseworthy social advances achieved since the revolution). Here are some responses to the questions that many have again asked: Why are they leaving Cuba? What is happening there?

Misfortunes of One Family

As has already been suggested, there is a heterogeneous Cuban population in Spain in regard to /"modus vivendi"/. (On the other hand, they form a perfectly homogeneous community in their unchanging worship of everything that smacks of folklore like Antonio Machin's boleros, rice and beans, the game of dominoes and the Cuban flag.) The three places where these interviews were held with more than a dozen exiles are widely dispersed: a pension on Calle Alcala, a people's diningroom on Calle Canarias where poor Cubans lunch and dine for free and the /Cuban Center of Spain/ which has its headquarters in the Salamanca district.

The Cuban who opposed Castro's revolution since the beginning goes to the Cuban center, the Cuban who knew he was condemned to lose when the roulette wheels stopped spinning in Cuba, the one who admits that he cannot be objective in his statements, the one who has time to drink a /daiquiri/ in the local bar accompanied by a woman wrapped in fake furs and lulled by the background melody of a pianist, the one who will talk without giving his name, the one who will give endless evasions in order not to admit that in Cuba under Batista he enjoyed as good a position as he has reached today in Spain....In other words, we mean that type of man whom Fidel Castro would indiscriminately call "capitalist pig" or "agent of U.S. imperialism."

However, that does not affect the value of the testimony of this anonymous coffee dealer who belongs to the board of the center. He had been in the Ministry of Industry in the first stage of Fidel Castro's government but was soon expelled from the country in 1961. His brother is now serving a 20-year sentence in a Cuban jail for having helped several compatriots find refuge in different embassies; he could offer that help given his connections with diplomats. One of his brothers was shot on 17 April 1961, the day of the Bay of Pigs invasion.

"More than 500,000 people were arrested then, anyone whose loyalty to the regime could be questioned, in order to break up any attempt to promote trouble inside to support the attempted invasion. With the jails packed,

there was no other remedy than to use stadiums and theaters to confine all those people. On the day of the invasion, several of those arrested were shot to scare the other people. My brother was among those selected."

The brother who died that night knew Fidel Castro very well. They had played together on the soccer team of the Jesuit school where they both studied. The coffee dealer said: "Three on that team to which I also belonged have already gone before the firing squad."

That same year his other brother found asylum at the Venezuelan Embassy with 180 other people. They all lived together for 1-1/2 years in that residence where there were only six toilets; they could not leave.

"It was not easy, of course, to get into an embassy. In general, it was necessary to make contact with an ambassador and arrange with him to come pick you up in his car. The ambassador went to an arranged site and hid you in the trunk of the car so you could elude vigilance until you reached the doors of the embassy."

"State Retains 500,000 Passages"

Another anonymous exile, an easygoing, fat man who is also on the board of the center, depicted life in Cuba today.

"If you want to leave your home for more than 10 days, you must have special permission. If you want to travel just from one province to another, you must ask permission. If you want--listen well to what I am telling you--if you want to take a chair out of your house and take it to your mother's house across the street, you must have authorization....If you want to leave Cuba, someone from abroad must send you passage--the price of passage in dollars. The money for the ticket must be deposited in the National Bank of Cuba but 13 years can pass--as has occurred in some cases--before they grant permission to travel. At this time, there must be about 500,000 passages in the National Bank of Cuba which the state still has not delivered to the consignees."

The Cuban who does not have anything, who has not brought anything with him except the unpleasant company of bad memories, goes to the people's dining-room on Calle Canarias. The Cuban who stays at the Red Cross shelter--it might be a peasant or a doctor who has not been permitted to bring his professional license--goes there.

While his lunch was cooling, Isidro Torres Gonzalez, a 49-year-old designer, said:

"I arrived in Spain on 15 March 1979 after having tried to leave Cuba through the U.S. Embassy since 1963. I lived there under comfortable circumstances. My father owned a farm and several houses which were confiscated by the government without any indemnity. My father died of a heart attack on 11 January 1962 when he heard that the Urban Reform Law through

which the state would appropriate properties had been approved. I was arrested 7 years later and sentenced to 12 years in prison as an alleged CIA agent, an accusation that I swear was untrue. (The accusation was based on the fact that Torres had studied in the United States.) The sixth month I was in jail, my mother came to visit me; they told her that they had shot me. Right then and there, my mother felt a strange pain in her chest, they carried her to a car and she died en route to the hospital."

In Cuban Jails

The story of the attempted escape, capture, arrest and subsequent trial--if it could be called a trial--of another table companion, Augusto Romero, an economics graduate, was more pathetic and detailed.

"There came a day when we could no longer stand that life or the constant coming and going from one place to another, carrying every type of document so that they would permit me and my family to leave Cuba legally. For more than 140 days, I got up at 0200 hours to get in line in front of the offices where you obtain exit permits. At 1500 hours they would come tell us that they were going to close and that we would have to return the next day. One night in March 1967, my father, my brother, my cousin and I-- who was a minor then--convinced a well-known boatman to take us to Miami... but the man turned out to be a government 'informer.' That same night we had decided to leave, just as we arrived at the port, some guards arrested us all and took us to the G-2, a detachment of the State Security Police. They put us in separate cells for 23 days. During that time, I saw prisoners entering almost daily and asked myself: 'Where do so many prisoners come from?' There were two bunks of three beds each in my cell separated by a narrow passage. There were 16 of us living there day and night, sleeping two in each bed and others on the floor. The prisoners had a secret way of sending messages from cell to cell; we knocked on the thin walls separating the cells and waited for the response. When we knocked twice on the wall, it meant that we wanted to know how many people were in the next cell. One day both sides answered with 14 knocks; other days there were 13 or 15....The cells were packed with prisoners. Interrogation was not violent. There was no torture as there was under the Batista government. I must recognize that with the same sincerity with which I tell all of this. Nevertheless, the trial,...ah, the trial! It was a farce that is hard to believe. For the trial 1-1/2 months after the arrest, you could not appoint your own defense attorney; the state named one. This lawyer was a man who wore the same green uniform as the government men, as Fidel Castro wears. Well, I already told you that our only crime, if it must be called that, was to try to leave the country illegally. Nevertheless, the charge at the trial was that my family, with my father as 'ring-leader,' had used a launch to go to Miami where we planned to meet with 'counterrevolutionary elements' in order to return and attack Cuba and overthrow the government. They sentenced my father to 12 years in prison, my brother to 8 years and my cousin and me who were minors to 2 years of hard labor at a farm for minors."

Another testimony given at the people's diningroom on Calle Canarias was from Lucia Sotolongo y Herrera, a 40-year-old woman whose husband is in Spain now also. He had been sentenced to 6 years in prison in Havana for trying to flee the island on a wooden raft.

The woman, a proper Cuban housewife, told how the system of ration books functions now. She said: "It is a book with all the food that a family needs for a month marked down. At the beginning of each month, I took that book and went to the stores and bought only those quantities stipulated for each person: 4 pounds of rice--1 pound equals 500 grams--3/4 pound of beans, less than a pound of meat, 4 pounds of sugar, 4 eggs and less than a pound of coffee, among other things. Imagine if you could feed yourself with that for 30 days....That is why what we call the 'black market' has prospered all these years in Cuba. There you could buy as much as you wanted...if you had money. Half a kilo of pork, let us say, would cost you 600 pesetas; you paid up to 200 pesetas for half a kilo of rice. The average wage in Cuba is about 100 pesos per month; that is, not even 10,000 pesetas. There were many people involved in the 'black market' because it was known that no one had anything to eat after the 15th of each month."

Forced to Sign

To get to the pension called El Cubano, you must climb a staircase submerged in darkness, doubting whether the steps will hold the weight of a human being for much longer. It is located on the second floor of a 5-story house on Calle Alcala; its autumnal facade faces the spring of Retiro Park. The atmosphere of the pension is one of such familiarity that it is difficult to know who is the owner and who the tenants.

One of the old lodgers is the young Tomas Vidal Alonso who, without being a convinced follower of Castro, pinned his hopes on some changes that the revolution planned. He bitterly recalled his experiences during his voluntary participation in the socialist government's great literacy campaign.

"It was not a matter of teaching the peasant to read and to write correctly. It was enough that he learn to write his signature and read his name; the government used that to demonstrate that illiteracy had been reduced. Two months after the campaign was over, a laborer who had to sign his payroll tried for a short time and then asked me for the pad to stamp his fingerprint because he gave up. I gave it to him so they fired me."

Vidal Alonso is a homosexual and also sadly recalled the implacable persecution that he suffered under Castro's regime which encouraged a repression against homosexuals worthy of the president of a U.S. moralistic society of the 1950's.

"In the town of Antilla, there were 33 of us homosexuals who were as well known as the names of the streets. Thirty of us have been in prison; the other three were 'informers.'"

Roberto Gonzalez, another resident of the pension, is a youth with a dark complexion and a markedly Caribbean accent (which he has not been able to lose in the few weeks that he has been in Madrid). He endorsed this series of testimonies with the most recent memories that he has brought from Cuba instead of a ring which he could not bring.

"When you leave Cuba as I left--legally--a state official goes to your house to make an inventory to verify that you are not taking anything. If you try to bring a personal article that might have some value--as I did--you must declare it to the official who will give you authorization. I declared that I wanted to bring a ring, the ring that I had been given on graduation day; it was 14-carat gold. It was not worth much except for the sentimental value that it had for me. Well, the official gave me permission. The day of my departure, when I was at the airport, the girl who inspected my documents looked at my ring and asked if I planned to take it. I answered that I had permission.

"Well, go to that office,' she said curtly, indicating the door of an office. I entered the office and an official ordered me:

"Take it off.'

"I took it off and he gave me a document to sign. I read that I had donated the ring 'to the government of the revolution.'

"I had to sign it to leave."

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COMMENTARY ON FRENCH-SOVIET SUMMIT, 'VIOLENT' U.S. REACTION

PA270349 Havana International Service in Spanish 0000 GMT 27 May 80

[**"World Events" Commentary**]

[Text] U.S. Secretary of State Edmund Muskie's virulent reaction to the French-Soviet summit meeting recently held in Warsaw undoubtedly constitutes evidence of the prepotence and hysterics with which the current U.S. Government conducts its foreign policy.

In a violent tone which, according to officials close to Muskie, was a moderate expression of the one he employed privately upon learning of the matter, the head of U.S. diplomacy said that the French initiative sought to indicate the elysee's intention of being independent, a matter which he described as frustrating.

Muskie even said that this step, taken by the French Government, may be an effort against confidence and consultation, which was interpreted by AFP as a reminder by Washington to its Western allies regarding the limits they cannot exceed in exercising an independent foreign policy.

The virulence of current U.S. diplomacy, which some media in the rightist Western press describe as frank and direct, according to THE LONDON TIMES, or as brutal frankness in the opinion of the Italian paper LA STAMPA, stems from a step by the Paris government in the direction of an independent policy at a time when the strain in international relations is particularly intense.

French-Soviet summit meetings have been held regularly since 1966, when they were inaugurated during a historic trip to Moscow by then-President Charles de Gaulle, who established a distance between purely U.S. interests and those of France.

What has been the real reason for this outburst which violates established diplomatic laws? It is obvious that what really displeased Washington about the meeting between President Valery Giscard d'Estaing and top Soviet leader Leonid Brezhnev is the realism with which the two analyzed the current international situation.

In reviewing the topics analyzed by the two, it can be observed that France does not fully adhere to the line of its Western allies, particularly Washington, when it affirms that Afghanistan must not become a parade ground [plaza de armas] aimed at the Soviet Union.

For his part, French Foreign Minister Jean Francois-Poncet responded to his American counterpart when he addressed the National Assembly, by saying that he wanted to reject the tendentious and in any event mistaken interpretations that had been published in connection with the Warsaw meeting.

After stating that France follows an independent foreign policy and that it holds talks with whoever it deems necessary, the foreign minister stressed that his government feels it would be a serious political mistake to try to isolate the Soviet Union diplomatically.

Further on, the head of French diplomacy offered details about the notes sent to Washington, Bonn and London prior to the French-Soviet summit meeting, a clear attempt to maintain the ties with its allies.

Jean Francois-Poncet also announced that he will travel to Washington on 31 May and that he has already met in Bonn with FRG Chancellor Helmut Schmidt.

But the really significant aspect about the French-Soviet meeting is the fact that above and beyond the opposing interests of powerful countries with different socioeconomic systems, relations can still develop if they are based on [word indistinct] viewpoints and if it is understood that the current tensions can lead the world to an hecatomb.

CSO: 3010

FAR, OTHERS MARK ANNIVERSARY OF LENIN'S BIRTH

Lenin Birthday Anniversary Feted

Havana GRANMA in Spanish 19 Apr 80 p 2

[Excerpt] The Ministry of the Revolutionary Armed Forces yesterday held a ceremony marking the 110th anniversary of the birth of Vladimir Ilyich Lenin in the FAR [Revolutionary Armed Forces] universal auditorium.

The ceremony was presided over by Div Gen Sixto Batista, member, Party Central Committee, and vice minister in charge of the Central Political Directorate of the FAR, chief of directorates from the MINPAR [Ministry of the Revolutionary Armed Forces], Soviet military specialists assigned to Cuba and commanders and officers of the country's FAR.

Col Jose Garcia Trujillo, of the FAR Central Political Directorate, delivered the introductory remarks stressing the figure of the genial leader of the Great October Socialist Revolution.

Brief remarks on the various facets of Lenin were presented by Col Orlov Y. Nikolayevich, a veteran of the Great Fatherland War; Lt Naumov V. Andreyevich; and FAR Lt Col Hipolito Aguilera.

There were performances by the artistic ensemble of the FAR and by FAR amateurs and Soviet military specialists assigned to Cuba.

This ceremony was one of the many activities being carried out in all military units on the occasion of the 110th anniversary of Lenin's birth.

Cuban-Soviet Friendship Association Political-Cultural Event

"At this moment, when every square meter of our fatherland vibrates, we celebrate the 110th anniversary of the birth of Lenin, by defending our sovereignty with our bare hand, if necessary," Ernesto Vera, vice president of the Cuban-Soviet Association and secretary-general of the UPEC [Union of Cuban Journalists] said yesterday during a political-cultural event held in the House of Cuban-Soviet Friendship on the occasion of the birthday anniversary of the world leader of the proletariat.

The event, organized by the ICAP [Cuban Institute for Friendship with Peoples] and the Cuban-Soviet Association, was addressed also by Tashir Durdiyev, cultural counsellor of the USSR Embassy in Cuba. Also present were Marlen Manasov, minister-counsellor of the Soviet diplomatic mission; Rene Rodriguez, president of the ICAP; Juan Morente, of the General Department of Foreign Relations, Central Committee; and a Soviet delegation visiting Cuba, headed by the deputy director of the Central Lenin Museum of the USSR.

Soviet specialists assigned to Cuba, officials from the MINREX [Ministry of Foreign Relations], and diplomats also attended. The artistic portion was taken care of by choral groups, soloists, the National Ballet of Cuba and the Symphony Orchestra of the National School of Art.

Armed Forces Preserve Lenin's Teachings

Havana GRANMA in Spanish 22 Apr 80 p 3

[Text] The presence of our socialist revolution, the first one on the American continent, and the brotherly relations which inseparably link the communist parties, governments, peoples, and armed forces of the Soviet Union and Cuba constitute eloquent expressions of the permanent validity, in Cuba, of the ideas, the teachings, and the example handed down by Lenin to all peoples of the world, according to Div Gen Sixto Batista, vice minister and chief of the FAR Central Political Directorate, and member of the Party Central Committee, during the central ceremony held by the FAR in honor of the 110th anniversary of the birthday of Vladimir Ilyich Lenin.

The event, held in the Universal Auditorium of the MINFAR, was attended by Div Gen Senen Casas, vice minister and first chief of the FAR general staff and member of the Party Central Committee, and Lt Gen Sergey Krivoplyazov, chief of Soviet military specialists in Cuba; it was overshadowed by the statement by Commander-in-Chief Fidel Castro "our role is to defend the revolutionary doctrine, the revolutionary line, the principles of Marxism-Leninism."

Div Gen Sixto Batista recalled that the central report to the party's First Congress, presented by Fidel, in referring to the aid given by the great fatherland of Lenin during the decisive days of the first years of the triumph of the revolution, noted that "through the solidarity extended to Cuba, a country thousands of miles from the USSR, it was possible to implement the internationalist dreams of Marx, Engles, and Lenin; and the immortal October Revolution projected itself with invincible force upon the destiny of this continent."

Interior Ministry Honors Lenin

Yesterday, the events in honor the 110th anniversary of the birthday of Vladimir I. Lenin were closed at the Ministry of Interior.

The closing session was presided over by Joaquin Mendez Cominches, Party Central Committee member, as well as chiefs and officials from the MININT [Ministry of Interior].

The concluding remarks were delivered by Brig Gen Pedro Pupo Perez who stressed the contributions made by the genial Lenin and who finally noted that "the red banners of socialism and communism, which waved for the first time during that bright October, firmly planted by the Russian proletariat, under the sure leadership of Lenin, are being held high in the first socialist country in the Western Hemisphere. These banners will never be hauled down because our land will first disappear into the sea before we stray from our revolutionary principles."

Cuban Peace Movement Message

The Cuban Movement for Peace and Sovereignty of Peoples sent the following message to the Soviet Committee on the occasion of the birthday anniversary of the founder of the first state of workers and peasants in the world:

"The Cuban Peace and Sovereignty Movement feels cordially linked to the Soviet brother people on the occasion of the jubilant universal celebration of the 110th birthday anniversary of Vladimir Ilyich Lenin, the genial and beloved leader of the Great October Revolution and guide of the revolutionary movement of the world proletariat, restating to you its full identification and the indestructible brotherly friendship between the peoples of Cuba and the USSR."

Soviet Specialists Honor Lenin

Las Tunas--On the occasion of the 110th birthday anniversary of Vladimir I. Lenin, the man who implemented the first socialist revolution of workers and peasants in the world, the 21 USSR specialists, who are involved in the construction of the metal structure factory in Las Tunas, engaged in various activities.

In recent days, they held lectures based on the film "The Living Lenin," meetings with professors and students of the "Pepito Tey" teachers college, the Health Polytechnical School, officials from the provincial party committee, the provincial party school, the state committee for economic collaboration, the ICAP, and the builders who are working in this new industry. The Soviets also participated in the ceremony in support of Cuba's position in connection with the events at the Peruvian Embassy.

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AALAPSO SUPPORT OVER PERUVIAN EMBASSY ISSUE

Havana GRANMA in Spanish 22 Apr 80 p 3

[Text] Energetic and resolute support for the Cuban revolution, in connection with the events at the Embassy of Peru and the announcement of Yankee military maneuvers--a big dry-run on how to invade Cuba--was expressed by representatives of the peoples of the Middle East, Asia, Africa, and Latin America meeting in the course of ceremony of solidarity with the Cuban people which was being held yesterday, under the sponsorship of the Executive Secretariat of the AALAPSO, at the headquarters of the Cuban Committee for Solidarity with Peoples, in this city.

The following spoke in the name of the Middle East, Asia, Africa, and Latin America: Nader Nader, representative of Syria and member of that organization's executive secretariat; Prach Sun, ambassador of Cambodia in Cuba; Edon Pierre, charge d'affaires of the People's Republic of Benin, and Rogelio Gonzalez, representative of the Communist Party of Paraguay, respectively; they agreed in denouncing the crude intimidation maneuvers carried out by the government of the United States against Cuba and also directed at slowing down the struggle which the peoples of this continent are conducting for their final independence.

"But these maneuvers, aimed at damaging the enormous prestige achieved by Cuba among the countries of the Third World, are doomed to failure from the very beginning," they pointed out.

"We have been witness in recent days to the crude provocation staged at the Embassy of Peru, using antisocial and expatriate individuals as well as members of the intelligentsia with which the Cuban government had to cope. Today more than ever before, the imperialists and their acolytes must realize that Cuba is not alone; all peoples and honest individuals throughout the world are with it," it said in one of the documents read during the ceremony.

Other documents in support of the revolution were also released, along with an announcement from the organization's executive secretary, calling for solidarity with Cuba.

Melba Hernandez, secretary-general of that organization, delivered the concluding remarks, pointing out that "Yankee imperialism and the reactionaries on this continent already know the massive, resolute, and unanimous response from our people to those vile actions. We are convinced," he said, "that they will not manage to stop the impetuous advance of the peoples with such maneuvers, just as they will not be able to destroy the Cuban revolution and socialism in this part of the world."

Also present were Elena Gil, chairperson of the Cuban Committee of Solidarity with Peoples, Clementina Serra, first deputy chairperson, and other officials.

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UJC DAILY COMMENTS ON EVENTS IN LATIN AMERICA

Honduran Class Struggle Expected

Havana JUVENTUD REBELDE in Spanish 23 Apr 80 p 4

[Article by Jesus Suarez Moreno: "Honduras: Reformist Strategy"]

[Text] The only thing new worth commenting about in the recently ended constituent elections in Honduras is the objective pursued by the United States in that exploited Central American country as part of its political strategy in the area.

The termination of a 9-year period of bloody military dictatorship and the announced plans for the institutionalization of the country, are all part of the Yankee intentions of activating the old reformist formulas.

They are compatible with similar attempts to impose a favorable solution for imperialism in El Salvador, where the national Christian Democrats with the support of that force on an international level represent an option against the drive of the revolutionary and progressive sectors.

The Honduran elections are typical of those of the past and present history of Latin America. They were held under accusations of fraud, the outlawing of the Communist Party and other sectors of the left and marked by a significant abstention revealing the apathy of the population.

Those who voted did so for the party which appeared to be the lesser of two evils between the two traditional parties. This time the liberals won over the conservatives and return to power after their last president, Ramon Villeda Morales, was removed from office in 1963 by a military coup.

At any rate, the scant voting represents a rejection of the military and the national conservative party, allied in their aspirations of executing an electoral fraud.

Of course the liberal program is rich in promises of great social attractiveness.

It is a matter of containing revolutionary unrest with the traditional crumbs in one of the most backward countries in the already pauperized Central American region. The struggles of El Salvador necessarily have an impact in Tegucigalpa and despite fierce repression opposition against the military increases.

In step with this imperialist solution, the resurgence of the class struggle in Honduras is to be expected.

Ecuadorian Power Squabble Reported

Havana JUVENTUD REBELDE in Spanish 25 Aug 80 p 5

[Article by Jesus Suarez Moreno: "Ecuador: Power Crisis"]

[Text: Eight months after coming to power, the Ecuadorian civilian government headed by Attorney Jaime Roldos continues to face a serious leadership crisis caused by the policy of constant harassment of presidential decisions by the Congress.

Dr Roldos, who overwhelmingly won the 1979 elections, has found himself involved from the very beginning of his term in a hot controversy with the legislative branch headed by the chief of his own party, Concentration of Popular Forces (CPP), the populist leader of Lebanese origins, Asaad Bucaram.

The squabble between the legislature and the executive branch has up to now had favorable results for the congressmen, who have had a sufficient majority for curbing the main initiatives of the president.

Attacked by the unopposed leader of his own party, Roldos has found himself practically hobbled during all this time in trying to put into effect his announced program of social changes, prominent among which is the intention of creating 500,000 new jobs.

The origin of the controversy, the focus of political and national attention is, according to Roldos, the dissatisfaction of Bucaram with the veto by the military of his candidacy because of his foreign birth, while Bucaram claims that the present president seeks higher positions within the government party.

The truth is that as president of the National House of Representatives or Congress, Bucaram has made presidential actions impossible.

Even the announced National Development Plan adopted recently by the Executive Branch has been rejected by Congress.

The power crisis in the government will continue to flare up in coming days when the Congress meets in extraordinary plenary session to examine the constitutional reforms proposed by President Roldos in an attempt to resolve the conflict and insure a greater independence from the state machinery for his decisions in the future.

The reforms will authorize the president to dissolve Congress and call for new legislative elections within a maximum period of 60 days, and thus make way for substantial changes in the congressional system. If, as is expected, given the correlation of forces existing, the House of Representatives disapproves the reforms, they would be submitted to a plebiscite in June, in keeping with the present constitution.

If Roldos does not obtain the legislative majority to have them approved, he would create a new party before going to a popular referendum, which according to some observers would approve his initiatives. The role which could be played by the military should not be discarded because they could arrogate themselves the right to intervene under the pretext of reimposing order, at one blow putting an end to the democratic experience.

It will be necessary to wait for coming weeks before we know how the political forces will decide with respect to the two main positions and the direction the debate will take. For the time being, conservative sectors allied with Bucaram have declared themselves against reforms, while other parties remain in wait for the extraordinary session of Congress.

Grenada Struggle Reviewed

Havana JUVENTUD REBELDE in Spanish 25 Apr 80 p 5

[Article by Barbara Vazquez: "Narration of The Struggle of Grenada"]

[Text] A narration of the struggle for the independence of the Caribbean island of Grenada was made by a delegation of the New Jewel Party at the offices of the Movement for Peace and Sovereignty of Peoples [MPSP].

The delegation, consisting of Peter Joseph, Heleen Adbelwel, Francis Gill and Martin Marry Show, leaders of the youth and the party of that fraternal country, also outlined the accomplishments achieved in the first year of the revolution in that tiny nation.

During that time, they said that the government changed the political structure of Grenada, increased the number of jobs by more than 1,000, improved the agricultural industry and significant successes were achieved in rural health with the help provided by the government of Cuba.

They denounced the imperialist attempt to destabilize the Grenada revolution. In this phase it uses isolated elements to bring pressure to bear on the government and the people. In that respect they pointed out the threatened return of former Prime Minister Eric Gairy, now in the United States, which raises the supposition that he will not come alone but with the support of the North American government and the CIA.

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OCLAE, FEEM, FEU CONDEMN U.S. MILITARY MANEUVERS

OCLAE Calls On Students

Havana JUVENTUD REBELDE in Spanish 27 Apr 80 p 1

[Article by Angel Rodriguez Hernandez: "OCLAE Against Imperialist Maneuvers"]

[Text] "To turn the universities, schools and streets of our continent into firm bastions which express the profound anti-imperialist feelings of the Latin American people is the objective of the call we make today," declared Fernando Ramirez, president of the OCLAE [Continental Organization of Latin American Students] in a press conference where the call by this organization of Latin American and Caribbean students was revealed. It calls on them to declare themselves against the "Solid Shield 80" exercises.

Ramirez explained that students of Latin America and the Caribbean will hold meetings and demonstrations in front of U.S. embassies and other symbols of Yankee imperialist power and they are also being urged to send messages of protest to the U.S. Government or that these messages be published in the press.

Atilio Morquio, representative of the Federation of University Students of Uruguay [FEUU] to the permanent secretariat of the OCLAE, said that the "Solid Shield 80" exercises are a demonstration of the arrogance with which North American imperialism carries out its relations with Latin American countries and are a direct threat to the Cuban Revolution because they are part of the intimidating and aggressive policy which the empire of the north has always practiced against this small country.

Ceslestino Rivero, representative of the Federation of Proindependence University Students of Puerto Rico to the OCLAE Permanent Secretariat, reported that there will soon be 10 international student events in various parts of the world and that the voice of OCLAE will be raised in them to reject these military maneuvers.

OCLAE Appeal to Latin American Students

Once more Yankee imperialism with its characteristic arrogance seeks to frighten our peoples. On this occasion it will be with the military maneuvers "Solid Shield 80" in which the North American government will make an unusual show of force, which in addition to showy naval, aerial and military displays, will include the mining of part of the Caribbean Sea and the landing of soldiers and marines at Guantanamo, territory illegally occupied against the will of the Cuban people.

This warlike demonstration is part of the aggressive policy of imperialism, which in view of the progress of the liberation struggle of peoples, and particularly because of the revolutionary upsurge in Central America and the Caribbean, tries to take humanity back to the days of the cold war and the use of the club, ignoring the danger it represents for world peace.

This new provocation, in addition to being a threat to Cuba because it includes a test invasion of the first free territory of America, is also a threat to all other countries of the continent because it represents a possible direct aggression against one of our countries.

With these maneuvers, at the same time that it seeks the isolation of the Cuban revolution and thus give new drive to the hysterical anti-Cuban campaign, imperialism hopes to thwart the growing struggle of the people of El Salvador and Guatemala and to halt the victorious advance of the revolution in Nicaragua and Grenada so as to curb the liberation process of Latin America.

Times have changed, however. The great fatherland of Bolivar, Juarez, Marti, Betances, Garvey, Sandino, Allende and Che shall never be the colonial backyard through which the imperialist beast may retrace its steps at its whim. If an attempt were to be repeated to carry out the criminal invasion of the Dominican Republic, Nicaragua, Haiti or Giron, our entire continent would become a gigantic Vietnam which would lead to a resounding imperialist defeat.

Latin American students would respond in that combat to the heroic legacy of our forefathers and martyrs.

For that reason, the OCLAE Permanent Secretariat calls on its member unions and all students of the continent:

To mobilize in meetings, marches and demonstrations in front of U.S. embassies and other symbols of imperialist arrogance.

To express our rejection through statements and messages of condemnation to the U.S. Government.

To turn the universities, schools and streets of the continent into combative bastions of the profound anti-imperialist feeling of our peoples.

With the realization of these actions, we will be performing the duty accruing to us in this new and worthy battle of militant solidarity, which will make the aggressor empire shake before the uncontrollable and bold step of the giant of American liberty. Yankees, out of the Caribbean! OCLAE Permanent Secretariat, City of Havana, 26 April 1980.

Student Appeal Made

Havana JUVENTUD REBELDE in Spanish 28 Apr 80 p 6

[Text] The FEEM [Federation of Secondary School Students] and FEU [Federation of University Students] call upon Cuban students to occupy a vanguard position in defense of the revolution against the Yankee maneuver "Solid Shield 80" at this time when imperialism attempts to frighten us with a barking that no longer frightens anyone. Our students, worthy heirs of the best national traditions, respond to the recent call by the OCLAE to its member unions and to the students of the continent to mobilize in meetings and marches in front of the symbols of imperial arrogance and to express their repudiation through statements and to turn the universities, schools and streets of the continent into combative bastions of profound anti-imperialist sentiments of our people.

The following is the text of the document:

Students, the OCLAE has called upon the students of the continent to close ranks for the dignity and sovereignty of our countries, threatened once more by the arrogant and aggressive North American naval and aerial maneuvers to take place between 8 and 20 May in the Caribbean zone, including the usurped territory of the Guantanamo Naval Station.

We students of the country of Martí and Fidel, organized in the FEEM and the FEU, proclaim to the countries of the Latin American Continent and to the world, our rejection, our contempt and the most vigorous condemnation of such imperialist plans. We know that this maneuver not only threatens Cuba but is directed against all Latin America and the Caribbean. Like the rest of the revolutionary students of the continent, we express our support of the Cuban revolution, its Communist Party and its leader, Fidel. The Yankee imperialists seek to crush the will of our peoples: Nicaragua and Grenada are victims of Yankee blackmail, which is also incapable of thwarting the uncontrollable and victorious advance of their revolutions.

The revolutionary processes of El Salvador and Guatemala, far from halting before its actions as a presumed, now bankrupt international gendarme, are advancing uncontrollably. Its boasts are of no use any longer, no one in this continent, where the dispossessed, hungry and unemployed masses erased the word "fear" from their lives, loses any sleep over them. Of no use either are its threats for those of us who are free of its yoke, we fear nothing because never again will its boot trample the soil on which we were born.

If the Yankee imperialists make a mistake, and emboldened by their apparent might attack revolutionary Cuba, there will be a new Giron. That is the will of the Cuban people, and as part of them, of the Cuban students.

Each criminal action realized by imperialism against our peoples shall be rejected with redoubled violence in this moment of historical importance, which inexorably brings us closer to the final victory of our cause.

Brothers of America, the streets of Cuba are our own!

Only Cuban dignity and decency shall travel through them. The scum, the natural daughter of capitalism should live there. Honesty, virtue and full dignity of man have their most valued bulwark in socialism. More and more every day the Cuban fatherland shall be for the students, for those who work, for those who would not hesitate to defend it and even give their life to make it more and more beautiful and free.

At this time when the military maneuver is a test invasion, here together with the people, together with the party, together with the revolution, the Cuban students are, and shall always be, ready to defend the conquests of the fatherland with their last breath, determined and firm, more capable, better trained, calm to provocations, inflexible in their principles, vigorous towards cowards and those who are weak of spirit and will.

The memory of the fallen heroes is present in our minds and in our hearts now more than ever before. Like them we are ready to shed our blood to defend the flag with the single star.

Cuban students! Let us mobilize with the people in the streets of the revolution in this historic and combative endeavor! Let our voices join those of our brothers of America in a single shout: Yankees, out of the Caribbean! Our signature expresses the willingness to sign this decision with our blood.

Let imperialism and its lackeys tremble in their lairs before the irrevocable will expressed as: "Wherever it may be; however it may be and for whatever it may be, commander in chief, give us your orders!" Federation of Secondary School Students, Federation of University Students.

CDR REVOLUTIONARY ACTION EFFECTIVE IN FIGHTING CRIME

Havana CON LA GUARDIA EN ALTO in Spanish Nov-Dec 79 pp 42-43

[Interview with Antonio Martinez Rodriguez, member of the National Executive Secretariat of the CDR's [Committees for the Defense of the Revolution]; date and place not given]

[Text] In response to proposals set forth the Eighth Plenary session of the Central Committee of the party with respect to revolutionary vigilance, the national leadership of the Committees for the Defense of the Revolution, following a thorough study of deficiencies pointed out, has outlined a series of measures aimed at eliminating the problems exposed.

Immediate compliance with new guidelines, the strengthening of existing work methods and mechanisms, achievement of the highest possible quality in every task undertaken and a periodic dialectical analysis of the problem of crime: All of these have undeniably helped to eradicate the difficulties described. These points and others, including the People's Guard in particular, were discussed by Comrade Antonio Rodriguez, member of the Executive Secretariat, who is in charge of the work of vigilance of the highest CDR body, in answering our questions.

[Question] What are the main tasks set forth by the Committees for the Defense of the Revolution in response to the proposals of the Eighth Plenary Session of the Central Committee of the party in connection with revolutionary vigilance?

[Answer] Beginning with the pronouncements of Commander in Chief Fidel Castro at the closing session of our First Congress concerning criminal activity, the National Executive Secretariat of the CDR's took it upon itself to revise all existing mechanisms by that time and analyze the regulations and provisions we have for fighting crime.

At the end of 1977, to be precise, and in order to go into action the following year, a plan of measures was worked out, fundamentally based on the qualitative strengthening of activities programmed up to that time. We did not wish to do new things, but rather, we tried to implement those mechanisms that already existed and that in some cases had actual flaws.

We can say that 1978 was a positive year from the standpoint of a reduction in crime, confronting criminal activity and vigilance in general.

For example, during that period of time, 21,030 fewer crimes were committed, a reduction of 15 percent. Specifically, during the CDR schedule, the drop amounted to 714 crimes, which figure represents 21 percent. Major crimes such as armed robbery dropped 28 percent. This was an important factor, inasmuch as here our mechanism varied in the sense that not only did we take the schedule of the guard into account, but rather, we considered all schedules, the volume of crime in general.

The guard was kept 94 percent of the time during the first shift and 92 percent during the second, figures that are satisfactory as a national average. Nevertheless, during the first 6 months of this year, we encountered certain difficulties with the People's Guard, which was carried out 93 percent during the first shift. This is acceptable, but on the last shift, there is a drop to 89 percent for an average figure of 90.

Granma Province carries considerable weight here since the second shift was carried out 81 percent. This figure for Granma truly endangers our compliance with the guidelines of the First Congress of the party and this situation has to be resolved. There are other provinces that are not meeting their goals either, including Las Tunas, Cienfuegos and Havana.

I would point to those provinces where, despite a satisfactory rate and the achievement of the proposed goal, there was a reduction during the period. Examples are Havana City and Matanzas. We believe that it is necessary to analyze and review the causes and factors that have created this situation.

There is also another problem. Compared with 1978, all types of crime have increased. It drops during the guard schedule, but actually increases in total volume in nearly all provinces except Pinar del Rio and Villa Clara. When we speak about the increase in crime, we are speaking in general terms, excluding the CDR schedule, because we are interested in all shifts. We are interested in the volume of crime because it has a concrete effect on the community.

The total volume of crime rose by 243 in Gramma, 528 in Havana and 23 in Santiago de Cuba. We believe that this is a figure showing how important the work we do through the guard and revolutionary vigilance is.

If we reduce our guard, crime increases. This calls for a thorough analysis because if, during the second half of this year, these problems are far from being resolved and actually increase, we cannot meet our goals, even with the guidelines set forth by the party.

We have described all of this in order to give a general view of our crime situation. One of the main tasks of revolutionary vigilance is the People's

Guard. Specifically, with respect to what was proposed on this matter at the Eighth Plenary Session of the Central Committee, the CDR's assume responsibility for stepping up the People's Guard, especially the second shift, where there is low participation of members.

In order to meet this commitment, it is necessary to analyze the difficulties and deficiencies of the People's Guard at meetings of the Executive Secretariats at all levels. We must give priority to the stabilization of operations centers as a vital means of control of this important activity. We must systematically supervise those provinces, municipalities, zones and CDR's that repeatedly fail to stand guard, particularly during the second shift. We must intensify the effectiveness of the guard on the basis of a better orientation and instruction in this task. We must distribute guard identification cards and guarantee the correct distribution, supervision and utilization of arm bands for the purpose of identifying CDR members. Provincial and municipal plenary sessions must be held throughout the country for the purpose of promoting the resolutions of the last plenary session of the Central Committee.

[Question] What organizational and management problems have arisen in the analysis of deficiencies pointed out and what measures will be taken to eradicate them?

[Answer] There are indeed problems in the guard that we have not solved. We can say that at the operations center, we have managed to set up the command post which the guard has to have. But the practical matter of seeing that when our comrades arrive at the center, they are well enough oriented so that they in turn may guide CDR guards has not yet been solved. Orientation of the guard based on the operational situation or toward concrete objectives still presents certain deficiencies.

Based on Methodological Instruction No 1, certain areas have taken a group of measures and they are actually operating well. Nevertheless, the same is not true in other areas. This is caused by a lack of information and analysis by the Executive Secretariat of the organization in question, failure to coordinate work and other factors.

We are capable of moving millions of CDR members toward the guard, but we have not managed to ensure that everyone has adequate information. This is not only negative from the standpoint of operations and effectiveness, but also from the standpoint of the guard. When there is no orientation, the individual may conclude that what he is doing is useless, that everything he achieves is somewhat absurd.

We have another problem that sometimes surprises us. When a crime occurs, even when we learn of it, some organizations do not use the information to prevent a recurrence, to make people aware by means of the deed through an act of repudiation, for example.

Sometimes there is confusion. Comrades say, "Here in this area, there is no crime because they robbed a house and I stand watch over a storeroom." Others say that if a storeroom was robbed, it is not their problem; it is the administrator's problem. The responsibility of taking care of the storeroom may well belong to the administrator and the storeroom workers, but it is obviously also our responsibility because these objectives are those of the community, the neighborhood.

In short, crimes must be faced when they occur or before they occur by taking concrete measures. If there is crime, we must go after the criminal and if there is no crime, we must produce and set up mechanisms to see that it does not arise.

We have spoken about deficiencies in the zones, but they are also manifested in the municipalities in relation to the zones. For example, in some places, the updating of zones based on the problem of crime is not done every 6 months as stipulated. In other cases, because of organizational situations in the PNR [National Revolutionary Police], such analyses are limited.

We must say that beginning in 1973, there was a qualitative change in the People's Guard. The guard was set up on the zone level, the problems affecting us were studied and consistent measures were applied. Nevertheless, there were some details that we were unable to study. Due to this fact, the National Executive Secretariat has proposed to complete a study similar to the one we made during the year of reference in order to determine what is happening based on the results and solve the problems.

This is one of the ways we think we can solve our problems. Another is much more rigorous control by the Executive Secretariats of the CDR to ensure that problems do not creep up on us, because the fight against crime is not like other activities. If we do not constantly analyze the situation and our operations, there will be an increase in crime without our realizing it.

We believe that we have the possibility of reducing crime, especially if we manage to solve the group of problems affecting us, if the Executive Secretariats manage a much more timely and vigorous analysis of criminal activity.

[Question] What methods will be used to create even closer bonds with the organs of the Ministry of Interior, especially the PNR, for the purpose of gaining objective information within the CDR bodies about where most crimes occur, where there is the highest concentration of crime and changes that are occurring as a result of overall measures applied?

[Answer] In order to achieve even closer bonds with organs of the Ministry of Interior, especially the PNR, and in order to have better information and be able to improve our work greatly, it has been decided that levels

of leadership with the CDR will strengthen bilateral contacts with the police. In order to do so, it is necessary to ask the organs of the Ministry of Interior, basically the PNR, that at CDR executive meetings, reports be given on criminal activity and that studies be made of factors relating to compliance with guard duty.

It is also necessary to have a patrol system in all provinces with the participation of higher PNR officials and national and provincial cadres from the organization.

Based on the results of the study of areas with the greatest number and heaviest concentration of crime, we must continue our 6-month classification of zones in coordination with the police and join with the PNR in working out an overall plan on the CDR level concerning the attention that must be given to family nuclei or isolated elements that present anti-social conduct or activities tending toward crime so as to intensify our work of prevention.

Because of all the measures taken, the awareness we have created among the people and the information being disseminated, we believe that we are now capable of waging an implacable campaign against criminals, above all in the big cities.

There is one group of measures being applied in a timely and systematic fashion and in addition, if close vigilance is maintained, life will be made impossible for criminals and we shall naturally then reduce the crime rate.

The study to be made by the Executive Secretariat and the regulations aimed at stronger action against crime mean that by the time of the Second Congress of the party, the current situation will have changed by virtue of the action and cooperation of the CDR's, whose role here is important and even decisive.

During the months of November, December and January, on the zone, municipal, provincial and national levels, working with the PNR, a critical analysis will be made of crime for the purpose of taking concrete measures that will contribute to the war on crime. Furthermore, at the beginning of next year, the most outstanding zones, municipalities and CDR members will be chosen in this battle on the basis of work done, deficiencies discovered and overall achievements.

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TANK TROOPS MARK GIRO ANNIVERSARY

Havana GRANMA in Spanish 19 Apr 80 p 2

[Text] In view of the threats from imperialism, we tankers, on this 19th anniversary, reaffirm that we are ready--as did the rookie tankers in the Bay of Pigs--once again to aim the guns of our tanks at any beach in our fatherland and to come up with another Bay of Pigs during any month of the year, said Brig Gen Iraldo Mora during the central ceremony in honor of Tanker's Day held yesterday in each unit of that branch of the service.

After the command "Attention!" had been given, the reviewing official, Col Guillermo Pena reviewed the troops and began the ceremony featuring the parade of tankers, infantry, and field artillery, during which a group of unit officers was also promoted.

In other part of his speech, Brig Gen Iraldo Mora, from unit headquarters, noted: "We have added our voices to those of the rest of our people to say a blunt 'no!' to any adventurist imperialist designs and we reaffirm our unlimited loyalty to our socialist revolution, our party, and our commander-in-chief."

He recalled Comrade Armando Parra Gongora, the fatherland's martyr tanker, who fell heroically during the Bay of Pigs, and the seasoned fighting men of that branch of the service who gave their lives on the battlefields for liberty and sovereignty of the Angolan and Ethiopian brother peoples.

The ceremony was presided over by brig gens Ramon Pardo Guerra, Party Central Committee member, Jesus Bermudez Cutino, MINFAR [Ministry of the Revolutionary Armed Forces] Directorate chief, as well as other FAR [Revolutionary Armed Forces] commanders and officers, plus Soviet specialists and invited guests.

5058
CSO: 3010

NEW RATION BOOK FOR CLOTHING, INDUSTRIAL PRODUCTS

Havana JUVENTUD REBELDE in Spanish 28 Apr 80 p 2

[Article by Ivon Chiong: "New Industrial Products Ration Book Effective Monday 5 May"]

[Text] The new industrial products ration book will become effective next 5 May. It will be effective until 16 April 1981 and it provides the opportunity to buy the articles offered in the various groups 18 times a year.

Among the changes made in the document are those on yard goods, the amounts of which shall be determined by their width; the "A" category will be considered as material which is more than 91 centimeters wide, and "B" will be that which is less. The amounts which may be purchased are: coupons 1 to 4 of the women's ration book may buy one meter; men's coupon 1, one meter; coupons 1 to 3 of the girl's ration booklet may buy one meter. One and one-half meters of the "B" material may be purchased with the same coupons instead.

Since there is still a shortfall in the production of shoes, the right to buy one pair of type "A" shoes per year is being maintained through the use of coupon 7. Coupon 8, also annual, may be used for the purchase of a type "B" shoe, which includes the high-top and low-cut workshoe, slippers, tennis shoes, plastic sandals and others.

Men's trousers costing more than 16.5 pesos are sold with no restrictions. Coupon 6-H authorizes the purchase of trousers costing less than that and they will be available in drill, denim, and other quality materials.

Coupon 16 has been assigned for the purchase of durable goods items such as fans, sewing machines, paint and others. This is an annual coupon in the ration book for heads of households.

Household furniture may be acquired through semiannual coupon 12, which is contained in all books.

Yearly coupon 1-H of the men's ration book offers the following: one shirt costing more than four pesos; a meter of material of the "A" type or one and one-half meters of type "B"; one polo shirt of more than five and one-half pesos. Coupon 6-H allows the purchase of one pair of trousers costing more than 16.50 pesos or less, or in the case of students, one pair of school trousers. Coupon 5-H is good for one shirt costing four pesos or less, a polo shirt costing five and one-half pesos or less or one school shirt.

Coupons 7-H and 8-H are good for type "A" or orthopedic shoes and for slippers made of rubber and plastic, tennis shoes and others.

Six-month coupons H-9 and H-10 are good for underwear and sweaters costing five and one-half pesos and more. H-11 is good for other items of clothing: raincoats, overcoats, worsteds and others. Coupon H-12 is for household furniture and H-16 is for durable goods in the case of heads of household.

Annual coupons 1 to 4 in the women's book are good for one meter of "A" type material or one and one-half meters of "B" type for each number. Coupon 5-M is good for one pair of slacks costing 12 pesos or less (working women only) or one school skirt; 6-M is good for a blouse costing 4 pesos or less (working women) or a school blouse; coupons 7-M is good for "A" type shoes and 8-M for "B" types shoes, among which are tennis shoes, clogs, rubber slippers and others.

Coupons M-9 and M-10 are for the purchase of underwear; M-11 is for other items of wearing apparel such as raincoats, overshoes, worsteds, house-coats, lining material and others; coupon M-12 is for household furnishings and M-16 is for durable goods in the head of household book.

Annual children's coupons 1-0 and 2-0 are good for one shirt costing more than three and one-half pesos, a sweater or polo shirt costing more than three and one-half pesos; 3-0 and 4-0 are good for long and short trousers costing more than four pesos; coupons 5-0 and 6-0 are good for a pair of school trousers or shirt, respectively, and 7-0 and 8-0 are good for a pair of school trousers or shirt, respectively, and 7-0 and 8-0 are good for dress and orthopedic shoes for the first, and for school, work, tennis and other types of shoes for the second.

Children's underwear may be purchased with semiannual tickets 0-9 and 0-10 as may a polo shirt and sweater costing three and one-half pesos or less. Other articles of clothing may be purchased with 0-11, such as shirts costing three and one-half pesos or less, trousers costing four pesos or less, overcoat, worsteds and others. Coupon 0-12 is for household furnishings.

The girls' ration book has annual coupons 1 to 3 for either one meter of type "A" or one and one-half meters of type "B" material; 5-A and 6-A are good for a school skirt and blouse respectively; 7-A is for dress and orthopedic shoes, while 8-A is for school shoes, tennis shoes, rubber slippers and others.

Semiannual coupons A-9 and A-10 are for young ladies' underwear and brassieres costing two and one-half pesos or more; A-11 is for other items of apparel such as dresses, skirts, blouses, worsteds, raincoats, and others; A-12 is for household furnishings.

Quarterly Blocks

The blocks which correspond to this first quarter are those numbered 1 to 11 and from 45 to 48. They will be effective until 24 July this year.

8908
CSO: 3010

SUGARCAFE AS PRINCIPAL FOOD SOURCE FOR ANIMALS

Havana JUVENTUD REBELDE in Spanish 25 Apr 80 p 2

[Article by Juan Dolset: "Will Sugarcane Be the Principal Food for Hogs and Cattle?"]

[Text] We all know the efforts being made for obtaining large, quality hog herds so that we may satisfy the needs of the population and for exports.

We also know the trucks, noticeable because of their "fragrance," used to collect the scraps and leftovers from diners and hotels for the purpose of feeding the hogs.

That stew is not all that is fed to them. Molasses is added in almost equal amounts. It has a high value as an export. This makes it desirable to replace it with something more economical and sugarcane is more economical.

That is why a team has been formed in the National Scientific Research Center (CENIC) under the leadership of chemical engineer Armando Blanco Garcia, to study sugarcane as a source of energy in the feeding of hogs.

Blanco Recalls His Peasant Childhood, Resolves a Problem and Poses Another

When this study was proposed to him in the CENIC, the thin features of Blanco lit up with a smile. The reason? He was reliving his childhood; the small plot of land with his father working from sunup to sundown, working hard to wrest from the land the things necessary to feed and educate his six children.

He recalls that he, the youngest, went out to cut cane to feed the two or three pigs his father had in a sty. They ate it with pleasure, undeniably; they grew fat, undeniably; obviously however, what may be practical for a peasant raising a few pigs may not be so on an industrial scale, in the raising of hundreds of them.

The study began in the CENIC, feeding whole cane and observing the weight gain of the hogs. It was compared to the amount of food provided, food which was complemented with vitamins and proteins, thus making up a balanced ration.

What Blanco remembered from his childhood before the victory of the revolution was confirmed. The hog chews the cane and rejects part of it, leaving with the bagasse a considerable amount of nutritive juice, which means that a large part of the cane used did not provide all its nutritive value.

This is of little importance to the peasants. They are not concerned if the animal does not develop rapidly either. If it does not reach the desired weight in 6 months it will do so in 8.

But these factors are very important in industrialization. Sugarcane and time have a decisive value in the cost of production.

Thus Blanco posed the first problem: If the hog uses all the energy potential of the cane it is fed, not wasting it, would it show a weight gain equal to that obtained with a ration based on corn or molasses?

In the first place, why does the hog not eat all the cane? Blanco, with his experience, reasoned that the digestive system of the pig only assimilates a small part of the solid part of the cane, that is, the bagasse, and when it no longer has large amounts of juice left, it spits it out. Therefore, the first step, the first problem, was to check out in some way what would happen if the hog were to eat all the bagasse together with its content of carbohydrate--sugar. He thought then of a sort of exchange.

At the plant which makes panels out of bagasse, he obtained a quantity of that bagasse chopped into very small pieces and he mixed it with the amount of sugar normally found in that bagasse in whole cane. He added proteins and vitamins. Well mixed, it was fed to the animals. The first day they did not even taste it, but when they became hungry they began to eat it and they wound up relishing it. Since the bagasse was finely chopped, they could not separate it from the part they liked most: sugar.

This demonstrated that sugarcane can cause all the potential, the capacity for development of the hog, to be utilized. A new problem appeared before the chemical engineer: How could sugarcane be chopped into small pieces and how could a balanced ration be made of them?

Blanco Wanted to be a Mechanic But the Revolution Made Him an Engineer

As an adolescent of between 14 and 15 years of age, he wanted to be an aviation mechanic. He even enrolled in a private school but his lack of money did not allow him to finish his studies.

When the revolution emerged victorious, his life, like that of all young Cubans, took a turn for the better and he did something he had not dared to dream about: he graduated as a chemical engineer.

That is why when he found himself needing a machine for chopping cane into little pieces, he once more recalled the past and the economic impossibility of his becoming a mechanic.

The CENIC is not fitted for this type of work so he went in search of advice and material resources to the Machinery Research and Construction Center (CIGMA) of the Ministry of the Steelworking Industry. They helped him, they thought with him, they worked together and the first prototype showed that they were on the right road. The second improved the chopping of the cane. It still has to be improved a little.

When the peasant turned engineer was asked what his next step would be in his studies on the feeding of hogs with cane, he replied:

"The evaluation of sugarcane in several aspects becomes necessary: as pasture, as green cane, as dried cane and as silage. An overall and complete study of all these aspects will lead us to using it in all possible ways. This will insure a stable ration in one form or another throughout the entire year.

"We must begin to categorize sugarcane in its vegetative cycle as well as in that of its greatest production or concentration of sugar. As a grass, after all, it contains a larger amount of proteins, vitamins and minerals during its process of development. Measured, they will serve in the preparation and manufacturing of balanced rations, which will satisfy the nutritional needs of the animals, including beef cattle.

"I would like to point out the importance of the study of sugarcane because it is our main raw material as a food, not only for hogs, but also for beef cattle and we believe that it will also be feed for poultry in the near future. A demonstration of this is that at first we had problems in providing it in the necessary amounts to beef cattle. This is being overcome and we have gone from providing approximately 15 kilos of feed per day per animal to more than 30 kilos now. This is the result of research work."

To our last question he replies:

"Of course I have not worked alone. In the first place, I have had the support of the CINEC as far as its possibilities go; the support of CIGMA, ranging from advice to material resources; the Ministry of Agriculture's Science and Technology Section, and very particularly, from the principal hog-raising leadership and the Hog Research Center of that ministry. All have helped in an enthusiastic and determined manner according to their capabilities. I have also received an important support from my comrade and wife, Hilda Alonso Onega, who has always been a source of support, inspiration and encouragement."

HAVANA CEMENT PRODUCTION; PROBLEMS REPORTED

Havana JUVENTUD REBELDE in Spanish 27 Apr 80 p 2

[Article by Maritza Barranco: "More Than 1,800 Tons of Cement Have Been Sold to the Population in the First Quarter of the Year"]

[Text] More than 18,000 tons of grey cement have been provided to the population during the first quarter of this year by the provincial enterprise of the City of Havana, which held a checkup meeting on the work performed during this period, yesterday.

These cement sales figures exceed the amount distributed during all of 1979, which amounted to 13,427 tons and is 58 percent of what is foreseen will be sold this year.

Eleuterio Reygado Fajardo, director of the enterprise, said that similar increases in sales have been maintained in items in great demand such as bricks, blocks, mosaics, stone, sand, iron bars and others.

He said that items in critical supply for the people are roof tiles, roofing paper and some dry materials. He also pointed to present difficulties in receiving some products because of a shortage in warehouse space, which at certain times leads them to have to ask for buildings in other areas from other agencies so as not to halt service to the population.

In this respect, a critical discussion was held on the general conditions of the places where materials are sold, places which lack the minimum work and safety conditions.

Transportation was also mentioned as another problem affecting this service because it is insufficient with respect to the volume of merchandise and the customers to be served. Some pieces of equipment will be obtained to alleviate this situation and the construction of a vehicle repair installation is foreseen.

Another important aspect discussed was that of the quality of materials. In this respect the director of the enterprise said that this detracts from the service that must be provided for the people, who are limited as to the purchase of some products such as mosaics, railings, bricks and because there are torn sacks of cement which cannot be placed on sale.

In this respect, it has been proposed, so that it may be put into effect soon, that the prices of those materials that show inferior quality, deterioration or breakage be reduced so as to put into effect a policy of respect for the customer.

The sales plan for the quarter ended with a 101-percent fulfillment of quota, that is, 3,156,800 pesos, which is the equivalent of 76 percent of the annual sales for 1979.

Outstanding in this was the great effort made by the 310 workers who make up this enterprise, who have even had to work on Saturdays and Sundays in receiving materials, and the vigor employed in the sale of materials, sales which have been accomplished without any substantial improvements in the conditions of establishments or transportation.

Within the framework of this meeting, which was closed by Guillermo Amador Moreno, general secretary of the Provincial Council of the Public Administration Union, the results of the quarterly emulation were announced. The winners were establishment 23 of Calabazar, 19 of Lisa and 8 of Guanabo.

The meeting, characterized by its combativity, was the framework for the reaffirmation of emulation pledges as a salute to the Second Party Congress as well as of support to the measures adopted by the Cuban Government with respect to the incidents of the Peruvian embassy and the Yankee maneuvers in the Caribbean. The workers also expressed their willingness to gather with the people in the May Day rally.

8908
CSO: 3010

TIRE SHORTAGE, RECAPPING PROBLEMS DISCUSSED

Havana JUVENTUD REBELDE in Spanish 23 Apr 80 p 2

[Interview with Engineer Manuel Rodriguez by Vinas Alfonso: "Notice: Thousands of Tires Needed"]

[Text] Now, at this very moment, the economy of the country is suffering from the negligence of many for whom the recapping of a tire is a matter of minor importance. To cite an example, at the Manuel Malmierca establishment located on the Alberro Highway in El Cotorro, between 150 and 175 tires are not processed every day because of a shortage of deliveries. Its capacity is 500 tires...but only 325 to 350 are delivered.

"Some people, with a mistaken idea--I would say it is a colossal error--are confused about our work. They think, to say it clearly, that we repair tires here and they have a bias against it. They view us as a giant shoe repair shop or something along that line, and they are completely mistaken."

With these words, an interesting dialog is begun between Engineer Manuel Rodriguez, chief of technical control of the aforementioned enterprise, and the JUVENTUD REBELDE reporter. Many questions have to be discussed and in the tour of the plant questions and more questions arise.

[Question] When did this plant go into operation?

[Answer] The official beginning was 1 January 1979. All the machinery is of Italian origin and the total amount of the expenditure comes to 4.5 million pesos.

[Question] It is unfortunate that a plant such as this with the capability for doing more work should have a shortfall.

[Answer] Yes, the shortage of tire carcasses for recapping has been constant and there are times when some machines are idle because of a lack of supplies.

[Question] To what do you attribute this; to irresponsibility, negligence or a total lack of a true economic awareness?

[Answer] Some of each, but actually there is a lack of an awareness and of a more consistent administrative policy toward that activity, which could save a lot more for the country.

[Question] Are there agencies which never recap?

[Answer] Yes, although there is now a resolution in effect from the State Committee for Technical Supplies, which will serve as an effective instrument because those organizations which do not comply with recapping requirements will not receive new tires.

Some Figures

According to estimates, there may be one million tires on the road, and the installed capacity for increasing their lives is capable of handling 600,000 tires. This means that with good scheduling and the necessary adjustments, they would be used rationally.

However, it is not only the lack of deliveries that causes harm. Let us once more listen to Engineer Manuel Rodriguez.

"The misuse of tires by drivers is also alarming. Between 20 to 25 percent of the tires are unusable when they arrive. We have to send them back, and of the rest, we have to repair 40 percent, which has a negative influence on the use of our capabilities."

[Question] And to what is this due?

[Answer] First of all, excessive use. Many do not know the exact time to bring them in. They wait until they are completely smooth...and then there is no remedy!

[Question] Could you give some advice as to how to know when the proper time has come?

[Answer] Yes, it is very easy. If you place the head of a match between the ridges of the original tread and it is not covered, it is time. With two millimeters, which is approximately the length of a match head, on the tread, a good job of recapping can be done.

[Question] Is there another example of misuse?

[Answer] Obviously. There is a theory out there—I do not know who invented it—a tendency to lower the air pressure in a tire when a long trip is going to be made. It is a very generalized error. The proper thing to do is to increase the pressure by 10 percent, always, obviously, depending on the load to be carried.

[Question] To that we could add the potholes, sudden stops and other crimes against tires.

[Answer] Yes, imagine hitting a pothole at 80 or 90 kilometers per hour with a load of 30 or more tons on board. Not even a steel armored tire could withstand that.

[Question] This is a young industry. What have been your main difficulties?

[Answer] The greatest problem—and it is no longer so—was with the training of workers. The personnel assigned were very young, without experience, many without any work experience. However systematic attention and the help provided by the older workers has already had its results.

[Question] How many workers are there?

[Answer] A total of 134. Work is performed in three shifts and we are studying the possibility of establishing work shifts on Saturdays and Sundays to increase the number of productive days per year.

[Question] Naturally this should go hand in hand with an increase of supplies.

[Answer] Yes, and in order to achieve that, the understanding of all organizations and an uninterrupted delivery is vital.

For a Longer Life

A tire in use, taken for recapping at the right time, becomes a new tire ready to roll for several thousand kilometers once more without the slightest problem.

In countries such as Italy, Germany, France and Sweden, this activity is very developed with magnificent installations and special laws, which require motorists and vehicle owners in general to recap their tires.

In Cuba, according to the opinion of experts, there is an effective technology for this work, comparable to that of any other country which does it, and installations such as that of the Manuel Malmierca plant can do a work of excellent quality.

With new work organizational measures and the immediate payment of the funds for economic incentive, an increase in production and efficiency is foreseen.

CUBA

BRIEFS

ANGOLAN LITERACY AID AWARDS--The MPLA-Labor Party and the government of the People's Republic of Angola granted the 22 November and 8 September medals to Cuban organizations for the internationalist aid our people are giving Angola in its struggle to end illiteracy. The 22 November medal, marking the date the literacy campaign began in Angola, was awarded to the Cuban Education Ministry, the Union of Young Communists and the Central Organization of Cuban Workers. The Cuban Women's Federation received the 8 September award, which symbolizes international literacy day, instituted in Angola in 1978. The ceremony to present the awards was held at the Angolan Embassy in Cuba. It was chaired by Guillermo de Souza, director of the Angolan National Literacy Commission. [PA242019 Havana International Service in Spanish 1800 GMT 24 May 80]

GUANTANAMO MEDICAL SERVICES MEETING--Dr Sergio Del Valle, member of the party Politburo and minister of public health, has chaired a meeting held to review an inspection visit of Guantanamo Province. The achievements and deficiencies in the public health sector were examined at the meeting which was held at the Pedro A. Perez Provincial Hospital in the city of Guantanamo. Expansion of primary polyclinical and dental services and optimization of such services were cited as the fundamental achievements. Dr Jose Alderregua, vice minister of public health, summarized the meeting and noted that the principal problems in the public health sector for the most part were the result of limitations of human and material resources. [FL241426 Havana Domestic Service in Spanish 1000 GMT 24 May 80 FL]

STATISTICS DIRECTORS MEETING--The national meeting of municipal directors of the State Committee for Statistics ended Friday with the participation of nearly 300 delegates. The meeting was held for 4 days at the Economic Management School located on the outskirts of Havana. Fidel Vascos Gonzalez, minister-president of the State Committee for Statistics, pointed out at the closing session the principal task of the committee for this year and the next 5-year period. Among other tasks, he stressed the need to intensify control of the economic plan and raise the quality of the statistical information system. [Text] [Havana Domestic Service in Spanish 1000 GMT 24 May 80 FL]

NEW AMBULANCES, TRACTORS--Ninety-five ambulances of Spanish manufacture have arrived in the Havana port for the Cuban Red Cross. The Cuban merchant ship "Palma Mocha" which was acquired recently brought the ambulances on its first voyage. With the arrival of these 95 ambulances, Havana port workers have unloaded a total of 235 over the past 2 months. The ship also brought about 100 tractors for agricultural development plans and other equipment. [FL241426 Havana Domestic Service in Spanish 1400 GMT 24 May 80 FL]

MARKET DEMAND SEMINAR--The second international seminar on the scientific study of market demand has ended after 2 days of sessions at the Atlantico Hotel in Santa Maria Del Mar. Eugenio Rodriguez Balari, director of the Cuban Institute of Research and Orientation on Consumer Demand, headed the Cuban delegation and explained the efforts which the revolution is making to increase the supply of goods. He noted that despite the fierce blockade imposed by the U.S. Government, the Cuban Government has succeeded in satisfying the vital needs of the people. Two hundred delegates and guests from 11 countries participated in the seminar. [FL241426 Havana Domestic Service in Spanish 1400 GMT 24 May 80 FL]

FERNANDEZ ATTENDS POLITICO-CULTURAL EVENT--Jose R. Fernandez, vice president of the Council of Ministers and minister of education, last night attended the politico-cultural event hosted by Bulgarian Ambassador Boyko G. Dimitrov in this capital on the occasion of tomorrow's commemoration of day of the Bulgarian culture and education. The chamber orchestra composed of Bulgarian musicians who are members of the national symphonic orchestra gave a concert of Bulgarian classical music and folk songs. The soloists were Lazar (Sotiche) and (Rochita Ivagne). [Text] [FL231714 Havana Domestic Service in Spanish 1600 GMT 23 May 80]

CDR DONATION--A gift from the Socialist Unity Party of Germany's Central Committee and the GDR Government was officially delivered today by Harry Spindler, the GDR's ambassador to Cuba. The donation consists of several light and food industry items valued at 24.5 million marks. Ambassador Harry Spindler and PCC Central Committee member and government minister Jose Alberto Naranjo spoke at the ceremony held at the GDR Embassy in our country. [Excerpt] [FL240039 Havana Domestic Television Service in Spanish 0000 GMT 24 May 80]

MANASOV CDR VISIT--Marlen A. Manasov, charge d'affaires of the USSR Embassy in Cuba, has made a farewell visit to the National Directorate of the Committees for the Defense of the Revolution [CDR] where he was received by Armando Acosta, member of the Central Committee and national CDR coordinator. Speaking in behalf of the CDR, Acosta said that Manasov was leaving behind many friends in Cuba because through his 10 years of work in Cuba he had come to know the Soviet man. Manasov thanked Acosta for his sincere words and said that during his tour of duty in Cuba he had witnessed the abnegated industry of the Cuban people and the combative work of the CDR in defense of the conquests of the people. [FL232225 Havana Domestic Service in Spanish 2130 GMT 23 May 80]

NATIONAL SAFETY COMMITTEE--A national safety committee has been established in Havana for the agricultural-livestock sector made up of representatives from agricultural trade unions, the Central Organization of Cuban Trade Unions, the State Committee for Labor and Social Security and the Agriculture Ministry. Inspection visits will be made of various enterprises, especially those with a high accident rate, in order to set up safety meetings at the enterprise, provincial and national levels for January 1981. [FL232225 Havana Domestic Service in Spanish 2130 GMT 23 May 80]

STUDENT SOLIDARITY--Over a thousand students in Havana have approved a communique in support of the 19 May GRANMA editorial during a rally held at the steps of the University of Havana. Pioneer Lourdes Alvarez, of the Julio Lopez High School, said that Cuban students are happy to fulfill all tasks assigned to them. Idalia Romero, of the Federation of University Students Provincial Secretariat, read the communique which states that these past days have shown imperialism the unbreakable strength and unity of the people. [FL232225 Havana Domestic Service in Spanish 2130 GMT 23 May 80]

GARCIA INCLAN HONORED--A well-deserved tribute was paid to the director and founder of the CMCK Radio Station, Guido Garcia Inclan, at the 20th Anniversary Social Club located at Santa Catalina and Palatino Streets in this capital. The ceremony honoring our beloved Comrade Guido Garcia Inclan was held yesterday afternoon on the occasion of his 75th birthday. The main speaker was Comrade Tomas Toledo, director of radio services for Havana Province, who noted Guido Garcia Inclan's devotion to his profession and exemplary life. Ernesto Vera, secretary general of the Union of Cuban Journalists (UPEC), presented a certificate for his 50 years of service to our director. Present at the ceremony were Oscar Fernandez Mell, member of the PCC Central Committee Secretariat and president of the People's Government in Havana City; Ramon Castro Ruz, national work hero and director of the Valle de Picadura livestock breeding farm; Nivaldo Herrera and Manuel Yeps, director and deputy director of the Cuban Institute of Radio and Television, respectively; UPEC Secretary General Ernesto Vera, and many others. [FL291441 Havana Domestic Service in Spanish 1400 GMT 29 May 80]

MILIAN WORKING VISIT ENDS--Arnaldo Milian Castro, member of our party's Central Committee Politburo and minister of agriculture, has concluded a working visit to Sancti Spiritus Province. Milian toured several vegetable-growing enterprises in Sancti Spiritus, (Naciente) and Caonao Valley in Yaguajay. The Politburo member was accompanied by Joaquin Bernal Camero, alternate member of the Central Committee and first party secretary in Sancti Spiritus; and Rodolfo Cruz, Agriculture Ministry delegate in Sancti Spiritus. Milian was very interested in the work of the social committees of San Andres, where the major crop is plantains. He also congratulated the Caonao Valley Enterprise on its potato crop and urged the workers there to increase their efforts. [FL230046 Havana Domestic Service in Spanish 2300 GMT 22 May 80]

ALMEIDA MUNICIPALITIES VISIT--Commander of the Revolution Juan Almeida Bosque, member of the party Politburo and vice president of the Council of State, has visited Guaimaro, Sibanicu and La Jata, where he met with the party's municipal bureau officials. He was accompanied by Central Committee member Lino Carreras and Camaguey provincial first secretary Lazaro Vazquez Garcia. Almeida discussed preparations for the 2d Party Congress, the economic and social situation and, especially, livestock production, the mainstay of the municipalities' economy. [Excerpt] [FL271144 Havana Domestic Service in Spanish 1100 GMT 27 May 80]

NURSES CONGRESS OPENS--Cuba's Minister of Public Health Sergio Del Valle, member of the PCC Central Committee Politburo, has made a speech opening the first congress of the Cuban Association of Nurses at the plenary hall of this capital's Palace of Conventions. Some 900 national and foreign delegates as well as guests are attending the event. In his speech Del Valle stressed the close and beautiful link uniting the nurse to the patient. He termed the profession an example of selfless work, sacrifice and responsibility. He added that the congress should represent a commitment to struggle to improve the health of our people and mankind in general. The minister noted that our people are proud of the revolution's gains in the health system and, essentially, the nursing profession which required a prolonged struggle since 1728. [as heard] Sergio Del Valle also referred to the poor health conditions existing in Cuba prior to the revolution's triumph. Another speaker at the opening session was (Ellen Musalla) of the International Council of Nurses, who noted the importance of the reports that will be submitted to the consideration of the congress for improving the peoples' health. Present at the ceremony were PCC Politburo member Pedro Miret Prieto, PCC Central Committee member Flavio Bravo and (Jobita Peaz), president of the Cuban Association of Nurses. [Text] [FL291506 Havana Domestic Service in Spanish 1400 GMT 29 May 80]

ILLEGAL POWER HOOKUPS--Camaguey--Sentences which range from 100 payments of one peso to four months in prison were imposed by the provincial court on six citizens of the Santa Cruz del Sur municipality for violations of Article 383 of the Penal Code. The Electric Power Transmission and Distribution Enterprise of Camaguey-Ciego de Avila informed that the legal provision covers the theft of electric current through illegal connections known as "clotheslines." Those punished, Gelasio Herrera, Eduardo Arias, Onelio Arias, Victor Arias, Vicente Hernandez and Wilfredo Arias, were sent to the courts by the aforementioned enterprise under the provisions of Law 1287 dated January 1975. The electrical industry in this case is responsible for remanding to the pertinent courts those violators of every legislative provision which refers to intentional or criminal violations which affect the activity of the agency. Article 383 of Law 21 establishes that whoever draws electric current, gas, water or power from a personal or collective installation, is punished by a jail sentence of from three to nine months or a fine of up to 270 payments, or both. Havana JUVENTUD REBELDE in Spanish 23 Apr 80 p 21 8908

CITIZENS REACT TO COMMISSION OF NOTABLES TALKS

Quito EL COMERCIO in Spanish 18 Apr 80 p A-3

[Excerpts] Scepticism and expectations in political circles were the dominant features in the atmosphere surrounding the interview which the commission of notables had yesterday with President Roldos and President of the Chamber of Representatives Assad Bucaram.

The citizens reacted in various ways to yesterday's transcendent event. Some said that they no longer believe in anything or anybody and that they no longer had any hope that the political conflict might be resolved. "There are factions which are involved in an irreconcilable battle and they will not yield any of their positions," some said upon being questioned by this newspaper's information service near the Palace of Government.

Others, the "retirees," those citizens who are always to be found on Independence Square to talk to their other retired friends, said that "we only wish we could get some clear understanding of this political mess." "It is terrible," they said, "that the people of Ecuador, after 9 years of dictatorship, are not concerned with getting ready to live under a democratic system."

As usually happens in such cases, the expectations of the public reached their high point when the personalities constituting the group of notables reached the Palace.

A cluster of curious people surrounded the vehicle which brought Messrs Galo Plaza, Andres F. Cordova, and Gonzalo Cordero Crespo, together with Cardinal Pablo Munoz Vega. There was some scattered applause and some shouting in the square, while a large group of newspapermen, television cameramen, and newspaper photographers were fighting among each other to interview the personalities on the . . . leading to the Presidential Palace on Chile Street. Mr Clemente Yerovi had excused himself for being unable to join the committee for reasons of health.

Outside the Palace, the citizens continued their activities in order and peace. There was no demonstration whatsoever, the politicians were

conspicuous by their absence and the people went after their business, like on any other day.

One of those ladies who still wear the traditional black "cape" on her shoulders, remarked rather pensively and sceptically: "I wish this entire situation involving the President was settled once and for all. He is so young, such a pretty little fellow, and so deeply involved in these things."

Another lady, who was walking along with a basket on her arm, upon being questioned on this matter, commented: "Good heavens, what a question to ask at a time like this!" And a young student chimed in: "We hope these things will at last settle down and that both sides will get together and work for this country which needs lasting tranquility and peace so badly."

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CSO: 3010

ECUADOR

SOUTH AFRICAN OCCUPATION OF NAMIBIA PROTESTED

Quito EL COMERCIO in Spanish 13 Apr 80 p A-3

[Text] The government of Ecuador and the mission from Namibia expressed their concern with the continuing illegal occupation of Namibia by South Africa which openly defies the United Nations resolutions and the ruling handed down by the International Court of Justice on 21 June 1971, according to the foreign office of Ecuador.

A joint announcement was issued as a result of conversations held here between the government of Ecuador and the mission from the United Nations Council for Namibia.

According to the official note, the government of Ecuador and the mission examined ways of speeding up the process of liberation of Namibia and its long-postponed achievement of independence. In this respect, the government of Ecuador and the mission emphasized the need for strengthening support from the international community for the people of Namibia under the leadership of SWAPO, its only and authentic representative.

The government of Ecuador and the mission asked for the immediate and unconditional withdrawal of South Africa from Namibia and underscored the urgency of implementing resolution 385 and 435 (1978) of the Security Council to make sure that the people of Namibia will be able to exercise its inalienable right to self-determination and independence in a united Namibia. In this context, they also expressed their concern over the fact that, while South Africa continues to be debating with the United Nations about the possibility of an international settlement of the Namibia affair, the South African government recently took new steps aimed at the imposition, in Namibia, of the so-called internal settlement, designed to give an imitation of power to a puppet regime and to provide a cover for the apparent legality of racist occupation.

The government of Ecuador and the mission emphasized the fact that the long struggle of the people of Namibia for its liberation has reached a crucial stage. The vigilant and constant support of the international community is

indispensable in order to make sure that the transition to independence will be carried out in rigid conformity with the spirit and the letter of the United Nations resolutions on the issue of Namibia. In this respect, all United Nations member states should step up pressure aimed at guaranteeing the withdrawal of the illegal South African administration of Namibia and deny their cooperation to any regime which the illegal administration of South Africa may impose upon the Namibian people.

They expressed the opinion that, if South Africa should fail to comply with the United Nations resolutions regarding Namibia, effective measures would have to be taken by the international community against the South African regime to bring about its total isolation.

They repeated that Namibia is a part of the direct and special responsibility of the United Nations until it achieves its true self-determination and national independence.

President's Opinion

President Jaime Roldos said that the struggle of the Namibian people for its self-determination and independence concerns not only the Council but also the government of Ecuador. He added that the case of Namibia is a symbolic example of what must not happen in the world under the heading of human rights.

Upon receiving the United Nations mission, the chief executive stressed the good disposition of the government of Ecuador to render all kinds of support, including financial support, to the United Nations Council for Namibia. He also gave assurances that his administration supports all resolutions adopted by the General Assembly and the Security Council of the United Nations with respect to the illegal occupation of Namibia by South Africa.

Ecuador--he said--as a member of the United Nations has pledged to abide by the charter of this world organization with all of its principles and proposals, particularly those pertaining to the self-determination of peoples and the nonrecognition of territorial conquests imposed or maintained by force.

The mission of the United Nations Council expressed its pleasure with the anticolonialist and anti-Castro [sic; anti-military?] policy pursued by the government of Ecuador which is expressed by support for the cause of the Namibian people in its effort to achieve self-determination, liberty, and national independence for a united Namibia whose territorial integrity, including Walvis Bay, must be respected.

The mission of the United Nations Council for Namibia was made up of Mohamed Bedjaoui, chairman (Algeria); Barthélémy Makobero (Burundi); N. Juwana (Indonesia); and Zdzislaw Nicinski (Poland).

The delegation from the foreign office of Ecuador was headed by Ambassador Mario Aleman, undersecretary for foreign relations.

CEPE TO CONTRACT TECHNICAL EXPERTS FOR GAS EXPLORATION

Quito EL COMERCIO in Spanish 18 Apr 80 p A-10

[Text] The CEPE [Ecuadorian State Petroleum Corporation] is close to contracting for the services of a consultant firm in order to get advice on technical aspects involved in the exploration and exploitation of gas in the Gulf of Guayaquil, it was announced by Engineer Jose Carvajal, manager of this government company, in the course of a press conference.

He pointed out that the enterprise has established contacts with suppliers abroad for the purpose of contracting for the delivery of drilling barges or platforms which will make it possible to start drilling, for itself, in the Gulf, during the course of this year, according to the established program.

He revealed that the Gulf of Guayaquil contains interesting prospects for the country since there are larger structures here than the Amistad field which has proven to contain gas; these deposits could contain not only this particular hydrocarbon but also petroleum at greater depths.

Purchase of Towers

In this connection, he emphasized the effort being made by CEPE to explore the area and he stressed a change in company policy on this matter for the purpose of lowering costs.

He noted that renting a drilling tower in the ocean entails very high costs and he said that CEPE is trying to purchase its own equipment which will cost less and which, after having been paid for, will remain the corporation's property.

Industrial Processing of Gas

He also remarked that, by virtue of its characteristics, the gas of the Gulf of Guayaquil could be used to supply the thermoelectric and industrial power plants in the country's southwest to operate a fertilizer plant, and finally for the steel mill complex.

He noted his intention of starting the exploitation of the deposits in the Gulf within 2 years.

Santa Elena

In talking about the peninsula of Santa Elena, he revealed that offers, submitted by seven companies, are being analyzed for the purpose of launching a plan for the rehabilitation of the fields in order to increase the declining output.

He said that it is hoped that the current output of 100,600 barrels per day could be raised by 20,000 within 3 years.

He also noted the intention of drilling at greater depth in the area and hinted that these operations would probably be carried out at sea where it is presumed that two-thirds of the area's hydrocarbon potential are located.

Fuel Prices

The CEPE manager also touched on the topic of prices of petroleum derivatives on the domestic market and repeated that those prices will have to be revised in keeping with the national and international situations; but he stressed that, under current circumstances, CEPE would not advise the government to raise prices in order to prevent the opponents of the administration from using that as a political issue.

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CSO: 3010

ECUADOR

PRESIDENT'S WIFE PRAISES ADMINISTRATION AT LABOR MEETING

Quito EL COMERCIO in Spanish 26 Apr 80 p A-13

[Text] This administration will not do the same thing that has been done repeatedly in the Republic, said Mrs Martha Bucaram de Roldos, wife of the President of the Republic, during the closing ceremony of the Sixth Congress of Workers of Provincial Councils of the country which was being held in the city of Guaranda last Wednesday.

Mrs Roldos assured her audience that this administration wants to create a hymn to labor, a hymn in which all provinces of the fatherland would continue to go forward. "We want," she said, "a great fatherland because we want to get out of underdevelopment and we cannot be satisfied with going on the way we have been so far."

The ceremony was also attended by members of the consortium of the country's provincial councils, chaired by Dr Patricio Romero Barberis, Mayor of Pichincha.

Mrs Roldos said that the current administration has launched such projects as the National Literacy Plan. "We know," she said, "that we can help the peasants advance through education. We know that we can build a big fatherland through the efforts of the people of Ecuador, with women working from their homes, doing their job; and with men at the office, with men behind the plow."

She pointed out that, so long as Ecuador does not break away from this interest clique and does not get rid of paternalist concepts, it will not be able to break away from economic backwardness due to the revanchist attitude of certain identified persons who seek to make it impossible for this popular administration to do its job.

"In any case," she pointed out, "this will all be swept away through the desire of the people of Ecuador who in their hearts harbor a love of democracy, a flame which has been lit in all of us and which will enable us to continue to go forward. This will be the thing that will give the

administration the impetus it needs to carry out the National Development Plan."

"We have defeated the millionaire campaigns," she said, "with our only resources consisting of the hearts and the spirit of the people of Ecuador and in that same spirit we will continue to go forward because we think that a people involved in a process of development cannot be stopped by the obscurantist obstacles of yesterday."

"We want to forget," she said, "those defeated political parties which are now gathering and which are standing side by side to fight against the administration which emerged the winner at the polls."

She noted that the people of Ecuador will be able to feel the reality of the efforts being made during 5 years of constitutional government, when we will not simply wait for the glory of recognition that comes with a duty properly carried out; instead, this mandate, which the people gave to President Roldos, will be expressed through services.

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CSO: 3010

REMOVAL OF NATIONAL SECURITY MINISTER DISCUSSED

Police Union on Removal

FL281302 Kingston Domestic Service in English 1130 GMT 28 May 80

[Text] The chairman of the Police Federation, Inspector J. D. MacBeth, has called for an independent body to govern the police force. And Inspector MacBeth has also called for the removal of National Security Minister Dudley Thompson from that post. These demands were made at the federation's annual meeting yesterday.

In his wide-ranging address, the chairman of the Police Federation also threatened that the federation would lock down police stations which were not repaired soon by government. Inspector MacBeth said the federation had given government 14 days in which to refund legal expenses incurred in the defense of accused policemen. He added that if the ultimatum was not met, the federation would take certain actions for which the government would be held responsible. The Police Federation head also hit out against the home guard movement and the proposed economic intelligence unit.

The guest speaker at the meeting was opposition leader Edward Seaga, who supported the federation's demands on the government. Mr. Seaga also repeated his call for a bipartisan police services commission.

CP on Removal

FL281754 Kingston Domestic Service in English 1630 GMT 28 May 80

[Text] The Communist Party of Jamaica has urged democratically-minded police officers and patriotic people to rally behind the minister of national security, Dudley Thompson, and rebuff the demands by the Police Federation's leadership for his removal. In a quick response to yesterday's call by the federation for Mr. Thompson's removal, the CPJ said the police body had withdrawn its mask of neutrality and made bare its political partisan position. The communist party said that by adding its voice to the JLP [Jamaica Labor Party]'s call for Mr. Thompson's resignation, as well as supporting the PSOJ [Private Sector Organization of Jamaica]'s demand for the economic intelligence unit to be scrapped, the federation leadership had made it clear that the police group was an active campaigner for the victory of fascism in Jamaica.

SMALL ANNOUNCES \$34.4-MILLION TAX PACKAGE

PL231410 Kingston DAILY GLEANER in English 20 May 80 pp 1, 12

[Excerpts] Cigarettes, beer, white overproof rum, and diesel oil will all cost more from today arising from a \$34.4 million taxation package announced in parliament yesterday by Finance Minister Hugh Small, as he opened the 1980/81 budget debate.

In addition to the new taxation, prices have also been increased resulting in additional cost to the consumer as follows:

--A packet of 20 cigarettes now cost \$2.00, increased from \$1.36.

--A bottle of beer will cost 70 cents, up from 60 cents.

--A drink of white rum will cost 35 cents, up from 30 cents.

In addition automotive diesel oil will cost 30 cents per gallon more, the result of an imposition of consumption duty for the first time on this item.

Mr. Small said the bauxite and aluminium companies, the JPS Co., the JOS [Jamaica Public Services Co and Jamaica Omnibus Services, respectively] and the Jamaica Railway Corporation will be exempt from this imposition.

The increased consumption duty imposed on all four items will yield revenue of \$26.6 million, cigarettes accounting for the major portion of increased revenue amounting to \$17.4 million.

Also announced was an increase in the travel tax from \$8 to \$10 in respect of travellers other than cruise passengers with effect from November 1, 1980.

The Tourists

Cruise passengers in Jamaica for a continuous period in excess of 48 hours will also attract the increase in the travel tax.

A retail sales tax has been imposed on car rental service at a rate of 10 per cent on the full rental payment whether rented or leased.

The present hotel accommodation tax of 5 per cent of all payments by guests and a US\$2 per diem per room payable by guests is to be changed.

For financial year 1980/81 two sets of rates will be payable applying to hotel in three grades A, B and C.

In Grade A hotels, with a minimum winter rate over US\$25 the tax per diem per room will be US\$4; for Grade B, with minimum winter rate between US\$15 and \$25 the tax per diem per room will be \$3; and for Grade C, with winter rate under US\$15, the tax will be US\$2. These taxes will apply from May 20 to October 31, 1980.

All these taxes will be increased by US\$2 per day from November 1, 1980 to March 31, 1981.

Also in the taxation package there is a customs duty adjustment on leaf tobacco consequent on the changes in the denominational value on the CARICOM unit of account.

Mr. Small also announced increased charges for postal services which will become effective from June 1.

Inland postal charges will be increased 25 per cent; international postal rates by 25 per cent on the onward land rate, and other charges relating to the international rate, increased by 25 per cent.

Mr. Small said that a charge of \$25 will be introduced to cover the replacement for locks for post office boxes; and fees under the provisions of the radio and telegraph control act will be adjusted accordingly.

The present revenue from these sources has been estimated at \$10.5 million for 1980/81. The increases from June 1 will provide revenue of \$2.3 million which the minister said was the cost of ensuring that the existing postal services can be maintained.

Development Prospects

Jamaica had been invited to submit projects for development financing to the Algerian Development Bank; the Iraqi Development Fund, the Kuwaiti Development Fund and the International Investment Bank of the Council for Mutual Economic Assistance. These, he said, had been in addition to the traditional bi-lateral and multi-lateral agencies.

Other arrangements included:

--The international commercial banks holding Jamaica's syndicated debt have agreed to keep in place the deferral and re-financing scheme negotiated originally within the umbrella of the IMF programmes.

--The Inter-American Development Bank has agreed to examine the possibilities of effecting some form of foreign exchange relief through the operation of their on-going loan programmes, and at this very moment a mission from the bank is in the Island carrying out this examination.

--The World Bank has agreed to examine our economic programme for the purposes of the donor countries meeting to be held in Washington in June and the possibilities for further loan assistance, and for this purpose a team from the bank arrived yesterday and is presently in the island.

--The government of Libya ratified the loan agreement made earlier this year and deposited the amount, a US\$50 million balance of payments loan, with the Bank of Jamaica.

--Two other OPEC countries have agreed to balance of payments support totalling US\$13 million.

--OPEC's special fund has signed a loan agreement for US\$7 million balance of payments support and has committed US\$3 million for project financing.

--The government of the Netherlands has committed balance of payments support totalling US\$25 million.

--The government of the Federal Republic of Germany has signed a loan agreement for import financing in the amount of US\$8 million (20 million deutsch marks).

--The Swedish Government and parliament have approved a grant of 10 million Swedish kroners or over US\$2 million as balance of payments support.

--The governments of Norway, Canada and the United States have indicated continued participation in the donor countries group.

CBO1 3020

SEAGA DENIES DISCOURAGING AID TO COUNTRY

PL271540 Kingston DAILY GLEANER in English 22 May 80 p 1

(Text) Opposition leader Edward Seaga on Tuesday denied charges made by the Minister of Finance the Hon. Hugh Small, that he was "actively discouraging assistance to an investment in Jamaica.

The minister had made the charges on Monday in the House of Representatives when he opened the budget debate. He had said also that "threats" by Mr. Seaga "to dishonour agreements entered into by this government" was the major reason why the global re-financing of debts" to the commercial banks of US\$650 million was not concluded.

Mr. Seaga had immediately walked out of the chamber and did not return for the rest of the sitting.

Opening the opposition's contribution to the budget debate Tuesday afternoon in which he said the minister had the temerity to come to the House and suggest that he was the cause of the commercial banks' refusal to refinance the country's debts, Mr. Seaga said, "nobody can help them to get that amount of money; they are not worthy of it."

"If I had the power to tell the banks don't grant it, then I should be over there (pointing to the government benches) and they over here," Mr. Seaga said.

He continued: "They say I make many visits abroad; they want to know what I do. When they tell me what they do in Havana, I will tell them. When they tell me what they do in Moscow I will tell them.

"When they tell me the terms of the agreements signed between the PNP and the Communist Party of the Soviet Union then I will go to them and let them know what I am doing.

"And if they say every time I go abroad I have something waiting for them, then I must be like a makka to hook them at every time."

Mr. Seaga said also that if the ruling party wanted to know what he was doing when he goes abroad they should give him equal time on JBC "to say what I am doing. If they do that, everytime I go abroad I will come and tell them."

He said that he did not want the country to sink "because we want to take it over."

Mr. Seaga said that only a "foolish man will give them money to hold out because they are vasters and we are going to pay back the debts. Only a fool would do that," he said.

CSO: 3020

JAMAICA

BRIEFS

SOVIET YOUTH OFFICIALS VISIT--A two-member delegation from the Committee of Youth Organizations of the USSR is now in the island at the invitation of the Peoples' National Party Youth Organization [PNPYO]. The delegation arrived here last Thursday headed by President (Andrey Bulietev) and is in response to increasingly strong bilateral relations between the Soviet youth and the PNPYO. While here the Soviet youth delegation will pay courtesy calls on leaders of the PNP and the state including bilateral discussions with PNPYO leadership. [FL271445 Kingston Domestic Service in English 1130 GMT 27 May 80]

YOUTH SUMMER JOBS--Jamaican Prime Minister Michael Manley announced that 12,000 youths will be given jobs next July under a special employment program. Speaking in parliament on the national budget, Manley underscored that since he assumed power in 1972 his main goal has been to make social justice prevail. We don't apologize to anyone for the efforts this government has made to help the poor. The only regret is not having been able to do more for them, Manley emphasized. [Text] [FL241240 Havana Voice of Cuba in English to North America and the Caribbean 0500 GMT 24 May 80]

CGO: 3020

1980-82 DEVELOPMENT PLAN SUMMARIZED

Mexico City EXCELSIOR in Spanish 20 Apr 80 Special Supplement pp 16, 4-15

[Summary of the Complete Development Plan for 1980-82, two volumes, 370 pages. Complete document available from: Secretariat for Planning and Budget, Office of Information and Public Relations, 4th Floor, Mexico, D. F.]

[Text] Index of the Complete Development Plan

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1. Introduction

The present administration assumed the commitment to make a systematic effort for consistency between its action, its political philosophy and the type of country to which it aspires. This has been embodied in an integrated planning system which seeks to attain prestige and to become consolidated as a style of government, a basic factor for economic and social development and an instrument for concentrating program information and for regulating the decision-making, and the participation and commitment of all sectors; as well as to insure realism, so that the ends and the means will be feasible.

Planning requires time to be introduced and consolidated as a work style in the nation's activity. During the current phase, the progress in these proposals has been systematized in the Complete Development Plan for 1980-82 which, taking advantage of the previous experience in the planning area, has come into being as a structure deduced from the type of country to which we aspire and the set of sectorial policies and plans implemented during the present administration. The Plan is intended to be an all-embracing effort: It ranges from the fundamental assumptions which lend it legitimacy to the features of the sectorial policies, and it seeks to proceed from what is proposed to what is carried out; to provide the facilities for making progress toward consistency between state and sectorial planning; to supply, combine and make better use of the tools of economic policy; and to provide a basis for the concerted action of the various sectors of the society.

The Plan, aimed at specifying the organized action of economic reform, proposes a methodology, and the recognition and application of a set of qualitative and quantitative criteria and, hence, a standardizing of procedures for obtaining from the proposals, strategies for action, from the priorities, policies, and from the alliances, commitments.

The Complete Development Plan is meant to be a national plan, and not just one of the government. Hence, it is based on the concerted action of the sectors of society. It is, in addition, flexible and realistic; it seeks to reconcile what is predictable with what is contingent, and to revitalize the tools of economic policy.

2. Political philosophy

The Constitution contains a national design. It establishes political and social orientation in keeping with the best part of our history and with the desires of the majority. It establishes the foundations supporting the government's structures, and it proposes ways of relating the latter to the society which lead to democracy.

The National Design has taken the fundamental political principles comprising it from the leading social movements. From the revolution of 1910, it has taken a new concept of the purposes of the state, the mandate for creating the material conditions for making liberty an actuality, the bases for a mixed economy and definitive emphasis on the liberating capacity of nationalism.

Mexican nationalism is the basis of the constant struggle for Mexico's economic, political and cultural independence.

Liberty and justice establish the basic orientation of the design. Its harmonious balance reflects the struggles of the Mexican people in all their phases. It involves values which must be fulfilled.

The National Design establishes a relationship between the state and society, wherein there is recognition that all rights originate in the society. The members of the constituent group, of necessity, designed a strong state of law, to which they entrusted the promotion of national integration, the guarantee of political independence and the consummation of economic independence.

The National Design is democratic, representative and popular. It defines the concept of democracy in all its dimensions, as a juridical structure, a political system and a way of life founded on the constant economic, social and cultural improvement of the people.

For historic reasons, our democracy is associated with federalism, because the latter has been the political format for relations between the authorities and the populace that has made it possible to maintain national unity and to preserve the territory.

The existence of a system of mixed economy is one of the basic assumptions of the National Design. The revolution transformed the concept of property, preserved the economic liberties and conferred upon the state responsibilities for economic direction and promotion, all subject to the necessary criteria of the nation's interest.

The Constitution guarantees economic liberties related to occupation, industry, trade and work, so long as they do not attack rights of third parties, or abuse rights of the society. The National Design also establishes social rights to create the material conditions for social justice. In the first place, it establishes the right to work, social property and the organization of production in the rural areas. It provides the standards which protect work, with advanced legislation, and those which establish basic education as compulsory and free of charge.

According to the design, the direction of the economy is incumbent on the state, which is granted rights to impose on private property the features dictated by the public interest, to regulate the social utilization of natural resources and to make an equitable distribution of public wealth.

Mexican nationalism is expressed without hostility or exclusivity, and it projects an internationalism that guides us to international solidarity, with brotherhood and equality of rights for all, without privileges based on race, religion, groups or individuals. It advocates principles aimed at the establishment of a genuine political and social international democracy.

Our historic design is legitimate. Few documents and programs in contemporary history are endowed with the convergence of the different elements of political legitimacy, such as the revolutionary, the formal and the democratic, and the one which has made it a design for social transformation.

The philosophy underlying the National Design must be viewed as a whole, in which all the parts are interrelated. Starting with the whole, an exercise in congruence must be carried out between our basic postulates, public action and the citizens' conduct. The Complete Plan seeks to be an exercise in congruence.

3. Socioeconomic diagnosis

During the first governments emanating from the revolution, the socioeconomic strategy was aimed at solving critical problems: to maintain the territorial unity, to reconstruct the country and to lay the institutional foundations for subsequent growth. The constitutional principle of the state's control over natural resources was consolidated, and definite progress was made in the processes of agrarian reform and the organization of workers, farmers and the people.

The economic strategy pursued after 1940 was based on a development scheme aimed at substituting for imports of consumer goods. The backing for industrialization, which made it possible to lend the country an industrial infrastructure, a highway system, air communications, a telephone system and mass media, was accompanied by an agricultural policy of construction of large irrigation facilities and increments in the arable areas, in credit and in fertilizers.

This pattern of development represented a strategy suited for its time; however, after awhile it began to show signs of inadequacy, worsened considerably by the demographic pressure and appearing mainly in the stagnation of agriculture.

With the passage of years, the social lags worsened; there was marked financial, technological and food dependence; the lack of competition in industry increased; and bottlenecks appeared in key sectors. The inefficiency and inequity of the commercial system became evident; the personal, sectorial and regional concentration of income became worse; the shortage of public savings became acute; and the bureaucratic apparatus no longer met the nation's requirements.

By the end of 1976, the exhaustion of the development strategy pursued in the country manifested itself internally, in all its magnitude. The combined inflation and recession reflected the crisis.

4. Action and results in 1977-79

Faced with the situation which prevailed in the economy until 1976, the present administration proposed a new development strategy that would make it possible to reconstruct the economic base as a necessary and urgent requisite for solving the accumulated problems and needs.

It was based on the principles of the political philosophy and the definition of the type of country desired, which includes an effective, efficient productive system; a distribution system which will allow for balance among factors; a political system founded upon the majorities which leaves room for the minorities; and a public administration capable of directing economic development.

On the basis of that type, the foundations were established for a qualitative change in development: political reform; the popular, national and democratic alliance for production; and administrative reform. Three 2-year phases were established in the socioeconomic strategy: that of surmounting the most acute aspects of the crisis; that of consolidating the economy; and that of access to a high rate of steady, qualitatively different growth, with controlled, declining inflation, while maintaining respect for public liberties.

Two priorities were established: an agricultural-livestock sector (to meet the demand for food), and an energy sector (which represented a new resource for managing the crisis and an opportunity for making deepseated changes in the society).

The revision and strengthening of the tools of economic policy was begun, to stimulate production, investment and employment, to progress in clearing up public finances, to start rebuilding the financial system, to improve the profile of the debt, to gear the pattern of stimuli to the new conditions and to rationalize the system of protectionism.

In the sectorial area, progress was made in the reorientation required by the new strategy. In the industrial sector, the decentralization of activity was started, directing it toward the coasts and borders; while at the same time priority was given to the production of socially and nationally necessary goods. In the agricultural-livestock sector, support was given for the development of the seasonal zones; there was encouragement for bigger and better use of installed capacity; the organization of producers was promoted; and the price structure was revised to foster food production.

In addition, increased attention was given to the fishing sector, to convert it into an important backing for self-sufficiency in food, through its programs for catching, construction, rehabilitation and industrialization.

The action in the commercial sector was aimed at achieving an efficient supply of items for popular consumption at affordable prices; and progress was made in modernizing the marketing systems. Also, the pertinent legislation was revised, to prevent speculation and hoarding.

An expansion is being made of the tourism sector's capacity to meet the demands of foreign tourists, and the social tourism services have been intensified.

Insofar as communications and transportation are concerned, measures have been adopted to promote the coordinated operation of the services, to develop a balanced infrastructure and to gradually eliminate the bottlenecks.

From a social standpoint, minimum welfare levels were established, and measures devised for policy on population, education, health, social security and housing. Several programs were also coordinated and directed toward the poorest regions. With respect to food, the public sector's action has been extended to increase the production of basic foods, to expand their distribution to larger population groups on the regional level and to promote a more appropriate consumption thereof.

As a result, and thanks to the combined backing of all sectors of the society, the most critical crisis areas were eliminated, and the consolidation of gains has begun. However, there are still some problems remaining, such as inflationary pressure, bottlenecks in key sectors and, in particular, the challenge of converting the growth that has been attained into social development.

Hence, in the second 2-year period, a change of emphasis has taken place in the priorities, using the resources accrued from the effort for internal savings and the exports made by PEMEX [Mexican Petroleum]. Now, the priorities are: the agricultural-livestock and rural sector; social welfare, with emphasis on education; and the strengthening of the transportation and communications infrastructure.

5. National goals

The strategy pursued by the current administration has been directed, from the outset, toward the attainment of four major goals. They result from the national design, and are mutually supportive and bolstering, each one being essential to the achievement of the rest:

To reaffirm and fortify Mexico's independence as a democratic, just and free nation in the economic, political and cultural areas.

To provide the population with employment and minimum degrees of welfare, and, as a priority, meeting the needs for food, education, health and housing.

To promote a high degree of steady, efficient economic growth.

To improve the distribution of income among individuals, the production factors and the geographical regions.

6. Bases of policy and justice

The foregoing goals are derived from the political philosophy and the diagnosis of the present reality. In order to make them viable, the proposals must be associated with the bases of policy, justice and administration whereby the state is supported.

In this regard, it is felt that the proposals and action in the areas of domestic policy, foreign policy, national security and the imparting of justice make a decisive contribution to the viability of the proposed action and, in particular, to its proper orientation.

Mexico's domestic policy has been developed within democratic institutions which, in turn, have been reinforced by the nation's political experience. The permanence of the institutions, respect for constitutional rule, the organized, conscious participation of the citizens and social forces, compliance with electoral legality, the force of the federal pact and of the legal system, the strengthening of the legislative and judicial branches, the existence of a fluid news media, the policy on population and the modernization of public administration are the components and purposes of a viable political system in the process of democratic modernization.

Mexico's foreign policy is aimed at preserving our sovereignty, intensifying our independence with respect to other countries, practicing international solidarity, backing the internal efforts for development and participation in the establishment of a world order which will guarantee these objectives and allow for the development of all peoples with the same sovereignty, equality, security and justice, in the international realm, that we want for ourselves.

The Mexican Armed Forces are organically integrated into the institutions of the system. Their revolutionary origin is a constant mark which shapes their doctrine and internal organization, as well as their relations with the other institutions of the Mexican state. In Mexico, the force of a Constitution which establishes the path for attaining justice by way of liberty, the modernization of the political institutions itself, and the responses from the state as a whole to the needs of a society i. a state of accelerated transformation have allowed for the modernization of the military institutions in accordance with the philosophical principles of our national design.

The imparting of justice has contributed to the accomplishment of the national design and to the country's development, guaranteeing liberty and social peace. Security and justice are not tangible assets, but they are unquestionably a part of the degree of development in a nation. Hence, there is an effort to update and revise the juridico-administrative instruments which

govern the activities of the institutions associated with the justice system, replacing coercive notions with the concept of social right; to promote the analysis and study of the structures and procedures of the institutions in the justice system, stressing the modernization and streamlining of agrarian processes; to strengthen administrative justice; to legally devise the measures for administrative reform of the system, and to foster their dissemination, so that they will be known; to rationalize the use of material, physical and human resources in the system; to promote the establishment of suitable procedures for administration and development of personnel in the authorized institutions; to give an impetus to the program for territorial decentralization of the administrative units in the justice system; and to convert the right to appeal to the courts into a genuine social protection, with a humane quality.

1. Overall policy on employment

The strategy of the Plan represents the combined related action required to attain the four general goals. Some of the basic axioms of the political philosophy and the specific conditions which brought about the history, geography and political system of Mexico are: a mixed market economy; a system of individual and social rights; political pluralism; an institutional tradition and a political system with a destiny of nationalism and popular participation; and freedom of exchange.

The strategy includes the proposals of the organized labor movement for an accelerated transformation of the economy to attain new phases of productivity and justice; and it acknowledges the fortitude of the populace and the abundance of the nation's physical resources. The strategy is directed chiefly at employment; hence, it does not seek growth at any cost, but rather growth the rate of which, although high, will not jeopardize its endurance and its equity. It seeks a growth which, recognizing the uncertainty of the international situation, maintains a balance among sectors and regions, and puts all of the nation's potential into motion. It relies on the sectors producing socially and nationally necessary basic goods, in conjunction with the capital goods industry, attaching priority to the activities with greater potential for generating permanent, productive employment.

Oil is closely linked with the viability of the strategy. Therefore, its exploitation and export will be contingent on the internal requirements of the strategy and based on the society's capacity for absorption. In addition to the funds originating with oil, the strategy for financing development is based on the expansion of public finances, the generation of internal savings and capital formation. A development policy is being devised which will make use of oil, not one which is an oil policy for development.

To summarize, the strategy is the path on which the country seeks to become modernized and to eliminate the challenge of social neglect, with a model of its own. The strategy simultaneously supports the four goals of the Plan.

In order to achieve this goal, variables closely associated with the objectives were identified, and targets for those variables were set. Also, there was a determination of the macroeconomic, sectorial, regional and social policies which, when handled in a coordinated manner, lead to the attainment of the aforementioned goals.

Ninety-two basic policies comprise the strategy; the latter entails the concerted use of all the ways and means available to the public sector:

1. To strengthen the state.
2. To modernize the sectors of the economy and the society.
3. To generate employment in a decent, just environment, as a basic purpose of the strategy.
4. To consolidate the economic recovery.
5. To redirect the productive structure toward the generation of basic goods and the creation of a national capital goods industry.
6. To rationalize consumption, and encourage investment.
7. To develop the agricultural-livestock sector in an accelerated manner, so that the farmers' standard of living will be raised, and the nutritional needs of our population will be met.
8. To give an impetus to the Mexican Food System.
9. To foster priority spending, and reinforce public enterprise, eliminating excessive subsidies.
10. To use oil as a support for our economic and social development, channelling the funds accrued from it to the priority areas of the development policy.
11. To stimulate a policy of productivity and a proper distribution of its benefits among the rural and urban workers, and the society as a whole.
12. To appropriate more funds to provide for minimal degrees of welfare, especially for the underprivileged urban and rural populations.
13. To encourage, with complete respect for individual freedom, a reduction in the population growth, and to rationalize the territorial distribution of the population.
14. To make an improvement in the living standard of the population through a substantial increase in consumption, by means of productive employment.

15. To expand and improve basic education for children and adults.
16. To associate terminal education (on both the intermediate and higher levels) with the requirements for the skilled workers, medium-level technicians and professionals that the national production system needs.
17. To give an impetus to training and social organization for work.
18. To decentralize, concentrating economic activity and human settlements in a new regional system, with emphasis on the coasts and borders.
19. To curb and reduce the inflation rate.
20. To make progress with the strategy for new types of financing for development.
21. To establish an efficient link with foreign countries, which will stimulate the modernization and efficiency of the productive apparatus.
22. To extend the concerted action among the public, social and private sectors, within the framework of the Alliance for Production.

8. Macroeconomic context

From an overall standpoint, it is anticipated that there will be a growth rate for the gross national product of at least 8 percent per year, on the average; and that imports of goods and services will show a high rate, but with a downward trend, which will average 20.8 percent. Exports of goods and services will reach an average annual rate of 14.4 percent, with an upward trend for exports of manufactures.

It is estimated that the evolution in income and outlays in account current will show a deficit balance of under 1 percent of the gross national product. Excluding the net payments to factors, there will be a surplus in the 3-year period amounting to between 1 and 1.5 percent of the gross national product.

The target set for public investment is a real growth of 14 percent per year, on the average, according to the priorities established in the strategy. Thus, the appropriation to the agricultural-livestock and rural development sector will have a real annual increase of 22 percent; the investment in the transportation and communications sector will increase at an annual rate of 18 percent; the investment allocated to the social sector will increase by 21 percent; and that of the industrial sector, excluding oil, will increase at an annual rate of 17 percent. This, added to a real growth rate of 13 percent in private investment spending, would result in an investment-product coefficient of about 27 percent at the end of the 3-year period.

Per capita consumption will increase about 4.5 percent per year during the next 3 years, a rate which, if it continues, would mean a doubling of the level of consumption per person over the next 15 years. A target of a real annual increase of 7.5 percent has been set for public consumption, which would help to increase the savings of the public sector by 3.1 points of the gross national product for 1979.

The evolution of the sectors, based on the priorities assigned in the strategy, is estimated as follows: The agricultural-livestock-forest sector will grow at an average annual real rate of 4.1 percent, a rate exceeding that of the population, which would allow for an improvement in rural employment and in the living standard in the rural areas; it is thought that the industrial sector's gross national product will grow at an annual real rate of 10.8 percent. As part of this growth, the manufacturing sector will grow at a rate of 10 percent; the capital goods sector will grow at a rate of 13.5 percent, whereby we shall embark on the path to more advanced integration of the country's industrial structure; the sector of socially necessary and commonly consumed goods will grow 8 percent, doubling the growth attained between 1970 and 1978; the chemical industry will grow 9.7 percent, and the energy sector 13.1 percent, per year; a growth of 6.7 percent is expected for the services sector as a whole; with a rate of 9.5 percent for the communications and transportation sector, 7.8 percent for the recreation services, and 6.7 percent for commerce.

Insofar as jobs are concerned, it is estimated that 2.2 million jobs will be generated, which would mean an average annual increase of 4.2 percent in employment, making it possible to absorb the annual 3.4 percent increment in the labor supply. With this absorption of manpower, there will also be a reduction in overt unemployment and in the relative weight of underemployment, starting the process of solving the employment problem.

The attainment of the aforementioned targets will require a coordinated effort in handling the instruments which the state has at its disposal for directing development, as well as the responsible, joint action of all the members of the society.

If this should occur, domestic production will have managed to remain at real rates exceeding 7 percent for 5 consecutive years (1978-82), giving rise to a high rate of growth the duration of which has never before been observed.

During the 6-year interval, the agricultural-livestock sector will register an average annual expansion of 3.1 percent; the industrial sector as a whole will, for its part, maintain an expansion rate of 9.7 percent over the 6-year period.

Employment, in turn, will increase by about 4 million, representing a generation in excess of that attained in the 20 years preceding 1976.

9. Policy on public spending

The policy on spending has proposed as basic purposes a sectorial and regional reorientation of spending directed toward priority sectors and regions; the fostering of growth at the highest possible rate compatible with a decreasing inflation; serving as a vehicle to promote the accelerated generation of employment in a system with greater rationalization of expenditure and greater efficiency therein; and aiming the spending of capital at the elimination of bottlenecks and the spurring of strategic productive activities.

The need for having sufficient funds to back economic recovery, generate jobs and have an energy supply required that, during the first years of this administration, an increasing portion of the total investment be channeled toward the growth of the oil sector, concentrating the investment in it. The success attained in oil drilling has made it possible to advance PEMEX's production target. This means that the investment in the oil sector, although very large, will no longer show the high increases noted during the previous 3 years; and it will facilitate giving other sectors increased attention. Thanks to this, the investment in the agricultural-livestock and rural development sector will increase its share of the total public investment, which will amount to 25 percent in 1982; the communications and transportation sector may absorb about 15 percent of the total investment; and the social welfare sector, which includes education and health, will increase its share, amounting to approximately 16 percent of the total investment in 1982.

The goals that are sought in the area of public spending for the 3-year period 1980-82 are the following: To achieve, over the short term, a suitable level of efficiency in the budgetary cycle; from 1979 to 1982, the net budgetary expenditure will undergo an annual real increase of 12 percent; capital spending will rise at an average annual rate of 14 percent, so that the agricultural-livestock and rural development, fishing, social, and communications and transportation sectors will have annual real increments of 22, 25, 21 and 18 percent, respectively. In the industrial sector, public investment in the areas unrelated to energy will increase rapidly, giving a greater impetus to the capital goods industry. As for the regional allocation of expenditures through the Integrated Rural Development Program, the Single Agreements on Coordination and the General Coordination of the National Plan for Depressed Areas and Underprivileged Groups, its average increase will amount to 20 percent.

The spending represented by public consumption will increase about 7.5 percent, with priority for the sectors which perform social welfare functions, such as health and education. Moreover, the operational spending of the para-state enterprises, which has a direct impact on production, will increase at a rate of over 11 percent per year. The real annual increment in the total budgetary spending on education will be 9 percent, and in the health sector, 9 percent.

To serve these purposes, greater speed and opportunity will be provided for the exercise of spending; its control will be improved through suitable regulations and accounting; greater rationality will be achieved in purchasing; efforts will be redoubled, and legal mechanisms will be improved for eliminating corrupt practices, and for assigning liability, in accordance with the law; the layering and fragmentation of public works will be eliminated; current spending will be geared to the proposals for administrative reform; the unnecessary subsidies will continue to be abolished; the linking of social planning with that of the state will be fostered; the mechanisms for backing the federal system will be coordinated and programmed in an integrated fashion; special attention will be given to the proposal to increase the efficacy and efficiency of public spending, through the devices of programming and budgeting, for which the federal government sectors are responsible; and, in addition, the restructuring of services and institutions will be continued, to improve the efficiency of the para-state public service systems.

IV. General economic policy

Although public spending is one of the main instruments available to the state, the attainment of the goals and objectives demands coordinated handling of all the instruments of economic and social policy. The proposals, targets and actions relating to the other instruments of general economic policy are presented below:

The policy on public enterprises is intended to make the operation of these entities based on greater productivity on the part of their human elements and more efficient administration of their physical and financial resources. As targets, among others, it is proposed to achieve a generation of savings of about 3 per cent of the gross national product, and an increase of 26 per cent in their income, reaching PEMEX; which entails a more effective policy on rates and rates.

The tax policy, continuing the efforts already made, intends to progress in achieving greater equity in the taxation of individuals, factors, sectors and regions; to reduce the distortions and increase efficiency and production; to stimulate savings; to contribute to a rationalizing of foreign trade; to minimize the effects of inflation on the tax system, especially those felt by the lower income strata; to diversify and simplify the mechanism for collecting; to provide the state with more funds; and to update the system of taxonomic norms.

The policy on tax incentives is still in the scheme that has now been proposed. This new proposal is aimed at fostering capital formation and the generation of employment, acting directly on the increasing volumes of investment and employment. The incentives are granted on the basis of an already established regularization, with priority given to small and medium-sized industry, capital goods and basic economic goods.

The policy on public debt requires that the determination of the volumes of foreign debt will be made on the basis of the interaction among the different policies and the need to finance imports, release funds to the private sector, reduce the deficit in account current and regulate liquidity. Priority will be given to the use of internal funds over external funds, and an effort will be made to diversify sources of internal financing and to avoid inflationary financing, as well as to generate sufficient funds for the other sectors, in order to attain the proposed investment rates.

The financial policy will continue to strengthen the financial system. It is intended to maintain the policy of flexible interest rates, attempting to maintain internal and external competition and to reward constant savings. The diversification of the institutional instruments for bank deposits and government bonds will continue, as will the strengthening of the stock market. The goals are to increase the non-monetary deposits by about 4.5 points of the gross national product, to increase the channeling of credit to basic sectors and to prevent the increase in the money supply from causing redundant liquidity.

The foreign trade policy is aimed at efficiently linking the national economy with the international one, rationalizing protection, considering not only the producer but the consumer as well; and continuing the gradual opening of the economy based on the internal goals. It also seeks to promote exports and diversify them, by means of permanent programs, to devise an international strategy for foreign trade and to stimulate the development of border areas and free trade zones. As a target, it seeks to maintain the deficit in account current at a size of under 1 percent of the gross national product by 1982.

The employment policy holds a priority position in the strategy of the Complete Plan. Work is a right raised to constitutional rank by this administration, and the Plan will attempt to help accomplish it. The Complete Plan is aimed at the accelerated creation of permanent, productive jobs. It also intends that all the work centers which are created, as well as those already in existence, represent an element fostering the necessary justice to the worker, manifested in his labor relations, and his conditions of personal safety, dignity and development, which will assure him at least access to the minimal degree of welfare for himself and his family.

The employment policy is not aimed against overt unemployment alone, but also at reducing underemployment, a goal which will be attained over the medium term by means of the general development policy. The objectives related to employment will be achieved through the reestablishment and consolidation of high rates of growth in the product and the accelerated development of the sectors which foster more jobs. While simultaneously expanding the capacity of the productive apparatus to efficiently absorb the work force, a labor policy will be enacted which will afford every worker an opportunity to obtain occupational training that will facilitate his access to work and clarify the present and future needs for skilled personnel.

A target has been set to attain an average annual increase of 4.2 percent in employment by the period 1980-82, generating a total of 2.2 million jobs. This will make it possible to reduce the unemployment rate to 6.0 percent in 1982, and to absorb the new workers entering the job market, thus decreasing the relative weight of the unemployment. All the instruments of economic policy will be used for these purposes. An attempt will be made to give priority attention to the traditional activities in the rural areas, and to the underprivileged sectors in the urban areas. An impetus will be given to business firms with a high potential for productive employment, through appropriations of current outlays; and the development of manpower, and of productivity in particular, will be fostered.

Inflation is one of the most complex problems of the society. Its control is conceived as a means and an instrument, and not as an autonomous goal. It is a means and an instrument to prevent deterioration in the distribution of income, to preclude a stoppage in the growth of the economy and to avoid lack of attention to the social demands.

The anti-inflationary policy is intended to achieve greater control of, and a downward trend in inflation, through action that will increase production, especially that of basic goods, will solve the bottlenecks, will make the commercial system more efficient and less burdensome, and will gear the aggregate demand to the production capacity. Inflation cannot be attacked by restraining the economy and the generation of employment. It will be countered, rather, by using all the instruments at the state's disposal, particularly the promotion of internal supply and productivity, modulating the increase in spending and gauging its rate; and also through a commercial policy of forceful measures to ward off and combat speculation and to correct regional and seasonal shortages in supply. The strategy seeks to foster a gradually declining trend in the inflation rate, with a target of reducing the differential between the internal and external inflation to 4-5 percentage points by 1982.

The technological policy is aimed at forming the scientific and technological base that will make it possible to support the production priorities for national and social goods, the development of the strategic sectors and, most particularly, the Mexican Food System.

The Mexican economic system is mixed, and hence the complete Plan is indicative and arranged for the private sector, for which guidelines are set by means of general instructions, specific policies, incentives to guide it and agreements committing it. The private sector's participation in the pursuit of the national goals will be all the more fruitful if it adapts itself to the standards of the economic development policy adopted by the community through its legitimate representatives.

II. Energy policy

The energy policy is a basic lever supporting the attainment of the goals in the Plan. It adheres faithfully to the tradition for reclaiming the natural resources started by the Mexican revolution, and its action is determined in strict compliance with the national goals. In the external area, Mexico's energy policy is expressed in the World Energy Plan, the fundamental goal of which is to insure an orderly, progressive, complete and just transition between the era of hydrocarbons and that of new types of energy.

In the national area, the energy policy is a fundamental support to the development of industry, especially that of capital goods, to the promotion of exports and to the decentralization of industrial activity. The domestic prices of energy will approach the international prices over the medium term, at all times maintaining a differential favoring the domestic market, as a support for native industry. Efforts will continue to find primary energy resources and reserves, particularly different sources of hydrocarbons; the reorientation of the industrial plant toward the use of natural gas will continue; the policy of financing development will be substantially bolstered by a suitable policy on domestic prices, which must provide for the financing of the sector and the strengthening of public finances, and which must serve as a contribution to the rationalization of consumption and the promotion of industrialization; and an impetus will be given to research and development involving types of technology which save energy, both for industrial and household use, placing special stress on their dissemination and adoption.

The rate of exploitation of hydrocarbons has been determined in accordance with the national goals, based on the needs of the overall development policy and on the premise of not exceeding the society's real capacity for efficiently absorbing those resources.

The platform for oil production that has been established, seeking to harmonize the nation's combined structure with its needs, responsibilities and current situation, will remain at a capacity of 2.5 million barrels of crude per day, with a degree of flexibility of 10 percent, to guarantee the supply and exports, without exceeding the figure of 2.7 million barrels per day.

The development policy is a policy which is backed by oil; it is not an oil policy for development. This means that we are seeking a more balanced growth in the economy, to intensify the harmonious growth of its different sectors.

So that the society will know how the wealth from oil is being administered, a determination has been made of the volume of funds that Mexico will have from its exports of oil and natural gas, and the use that will be made of the oil surplus. During the 3-year period, the total funds from oil subject to use for promoting investment and the nation's development will amount to

931.6 billion pesos; funds which represent 22 percent of the total income of the public sector, at the end of the period.

Of that total, about 32 percent will be appropriated for the PEMEX investment program. The rest will be directed toward the priorities that have been set; and it is estimated at the present time that the amounts and rates of increase cited below will occur: 25 percent will be channeled toward the agricultural-livestock and rural development sector, which will make it possible for that sector to achieve a real average increase of 22 percent in public investment; the social sector will receive a sum of about 24 percent, with a high proportion for education; the transportation sector will receive 20 percent; and 16 percent of the funds will be directed to the industrial sector (excluding PEMEX), which will make it possible for the public investment in sectors such as electricity, iron and steel, fertilizers and other basic industries to increase substantially. In addition, the investment programs of the state and municipal governments will be backed with 15 percent of the total volume.

12. Sectorial policy

The sectorial policy is based on the premise that all the sectors of the society interact and influence each other mutually. The plan includes policies of a sectorial nature which deal with intersectorial aspects and, simultaneously, their regional reflection and their social content and value. It also cites guiding criteria aimed at stimulating the generation of programs which will incorporate the social and private sectors.

An effort is being made to recover the rate and volume of agricultural and livestock production, especially that of basic goods, for the main purpose of achieving self-sufficiency in the key subsystems of national food, and insuring that the benefits of the development strategy reach the most needy population: the farmers. It is proposed, in particular, to achieve self-sufficiency in corn and beans by 1982, and to take forceful steps toward gaining it in the other basic products in short supply by about 1985.

The Mexican Food System, with an intersectorial program, will integrate the production, distribution and consumption of food, and will put within the reach of the millions of Mexicans whose nutrition is deficient, a recommended basic food basket. This System constitutes a program which establishes goals, assigns responsibilities, arranges action and makes commitments. The effort will be made in the agricultural and livestock area, in fishing, in the food industry and in nutritional technology, as well as in marketing and consumer education.

In order to carry out that effort, the Mexican government will revitalize the alliance with the farmers, and will, in a shared and united manner, assume the risks involved in food production. By means of funds, research and an extension plan, it will promote technological change to achieve increased productivity, and it will promote a farmers' organization that will

make it possible to generate productive dynamics. The development strategy includes the expansion of the agricultural frontier, greater attention to the seasonal zones and integration with industry, through the development of food agroindustrial systems.

The fishing policy is aimed at converting this activity into an important backer for achieving national self-sufficiency in the production of food for the popular diet, generating jobs and hard currency and promoting regional development. For this purpose, it is receiving funds for investment which will increase at a real annual rate of 25 percent, over the 3-year period.

The industrial sector has been established as the sector with the most dynamic growth, based on energy production; and it is being reoriented to generate more jobs and toward the production of socially and nationally necessary goods, especially food, as well as lending major support to small and medium-sized industries. The strategy has, as additional goals, making a territorial decentralization of industry, developing branches with a high degree of productivity and better integrating the industrial structure.

Commercial activity is a task of undeniable worth, closely associated with the success of the new orientation given to the other activities. The policy of commercial promotion and development will continue to influence the creation of an efficient commercial structure which will eliminate the unnecessary middlemen and which will be capable of meeting the population's basic needs through a integrated network of systems for collection and storage, and supply centers. The state will reinforce its role to insure the supply of basic goods at reduced prices, as part of the Mexican Food System, directing the subsidies toward those who should rightfully receive them, and encouraging eating habits that will raise the population's nutritional standard.

The tourism sector is a major support for development, especially in its regional aspect, owing to the employment that it produces, the hard currency that it generates and the recreational opportunities that are a part of the connotation of social welfare which is being sought. Tourism development will be directed to a larger extent toward the promotion of internal tourism, without neglecting the programs aimed at attracting hard currency.

A rapid expansion in the transportation sector and a considerable improvement in its operations are planned. The highway infrastructure will be expanded; interurban transportation will be promoted; and high priority will be given to collective urban transportation, recognizing the importance of a socially necessary asset: time. The participation of the railroads in the system as a whole will be reevaluated; the intensive use of combined transportation will be fostered; and mass transportation will be intensified.

From a quantitative standpoint, the growth rates that have been proposed represent a higher rate of activity in the economy with respect to the traditional growth during the past 30 years, and also a growth greater than what the economy would experience if its guidelines for development were not changed. The foregoing, which is an ambitious but feasible scheme, will make it possible to correct the country's productive structure for goods and services, acting on the increments; because the foundations will be laid to double the economy's current total capacity within a period of 8 years.

13. Regional and urban development policy

The regional policy is directed toward a complete solution to the problems caused by the method and size of the urbanization process, regional imbalances and demographic pressure.

At the present time, economic activity shows an uneven territorial distribution. The recent economic development has been carried out in a polarized spatial organization, marked by excessive urban concentration in three metropolitan areas and by a great dispersion of the rural population.

In this connection, the regional planning guidelines are aimed, on the one hand, at controlling the unbridled growth of areas such as Mexico City, Guadalajara and Monterrey, and, on the other, at bolstering intermediate cities in the interior and along the coasts and borders.

The specific goals of the regional policy are: to promote balanced regional growth by means of a decentralization of activities and resources, on behalf of a more harmonious development of the city system; to strengthen federalism, by means of greater participation by the federated entities in promoting development, as well as to promote a more equitable relationship between the federation and the regions of the country, by intensifying agreements between the federation and the federated entities; to induce the growth of the regions in need of special conditions for development, especially those designated as future development poles; and, within the bounds of unlimited respect for liberty, to channel the flow of migration toward intermediate cities.

There are several instruments available for the attainment of these goals: public investment, aimed at meeting the minimal needs for public services required for the proper development of the population centers in the most populated areas; establishing priority regions, and grading the allocation of funds for urban development and the promotion of socioeconomic decentralization; the policy of tax incentives, representing an efficient impetus for relocating economic activities outside of the already densely populated areas; an energy price policy which will benefit the priority areas; a transportation policy which will back the decentralization of economic activity, by means of a physical revamping of the system and its rates; as well as administrative decentralization, which will foster the incrowding of the large population centers.

Other instruments of the regional policy are: the Single Agreements on Co-ordination, whereby all the partial action that each state may engage in with the federation are combined consistently, with a gradual conversion thereof into genuine Agreements on Development; the planning of state development, so that the action taken by the federation in allocating funds will have its counterpart on the state level; a National Urban Development Plan, which translates the sectorial goals of the economy into targets set both in time and space; and an Urban Development Plan for the Federal District, which will allow for the regulation and control of the nation's growth and development.

14. Social policy

The final purpose of the development policy is social development, defined as a process of transforming the nation's wealth into a factor for justice. Although economic growth is a requisite and a springboard for generating social development, the latter is a condition for growth, insofar as it sets certain guidelines for it, and reorients it toward meeting social needs.

The area of social policy is supported on the various levels of the Complete Plan, converting goals and strategies into targets, guidelines and specific programs which, in turn, are supplemented by action involving policy on spending, and economic, energy, sectorial and regional policies.

The most pressing concern in social policy is to achieve an efficacious and efficient mobilization of public, private and social resources for providing all Mexicans with the capacity to meet their needs, converting them into actual demands, based on the fulfillment of the social rights established in our laws. The use, purpose and pursuit of the Plan is a privileged bond between the economic and social realms, and a means of redistributing income and providing social benefits, stressing the interrelationship between meeting essential needs and generating employment, and thereby affording, simultaneously, an opportunity for growth and distribution.

Based on the overall and sectorial diagnosis, it is noted that want is related to problems involving employment, the distribution of income and the demographic patterns of concentration and dispersion in the national territory. Moreover, the inequitable concentration of income has contributed to a distortion in the structure of the demand, so that the domestic market has expanded without properly reflecting the needs of the majority of the population.

The Plan includes among its goals the achievement of minimal degrees of welfare; these are consumption levels that must be applied to the entire population in order to meet its basic needs, and, as the most serious shortages are provided for, they can be improved in a homogeneous manner, enlarging the supplies of basic goods and services to meet the needs. It is intended to progress gradually toward equalizing the welfare levels for the entire

nation, taking advantage of what has been achieved thus far, and attending to the community's most pressing shortcomings, with particular emphasis on food and nutrition. With the Mexican Food System, based upon the accurate location of the nutritional needs, there is an identification of the basic goods and services which must be promoted, and hence the most suitable organization of agricultural and fishing production.

The Plan calls for a close interrelationship between the fulfillment of the essential needs and the creation of jobs, thereby affording an opportunity for simultaneous growth and distribution.

The policies which are part of the social policy: population, education, health, social security, housing, food and nutrition, housing, social organization and participation, and care for the urban and rural underprivileged people, are intended to meet the requirements of a new production and employment model, and more extensive welfare for the entire population.

The target of the population policy is to reduce the demographic growth to 2.1 percent by 1982, and to 1 percent by the year 2000, with a more rational distribution of the population over the territory. All of this is aimed at improving the quality of life. It should be noted here that the forthcoming 19th General Census of Population and Housing, to be taken on 4 June, will give us the profile of our social body and more information for our continued action in the task of social transformation.

In the educational sector, we are proposed to give an impetus to 10 grades of universal basic education by 1982, and to link the educational system with the new requirements of the system producing socially and nationally necessary goods and services, as well as to raise the quality of education, improve the nation's cultural standing and enhance the efficiency of the education system.

The Plan's policy on health and social security is directed toward expanding the coverage of the underprivileged rural and urban areas, consolidating the action rule to life expectancy and improving the quality of the environment. The housing policy has strengthened the agencies and institutions associated with housing, and is creating the facilities to enable all sectors to increase their participation in housing construction and rendering services, placing stress on administration, the regulation and legalization of land and the promotion of basic infrastructural projects.

The nutritional policy is guided by the Mexican Food System, as a complete planning process in the food area, which proposes targets and action related to agricultural (livestock, commercial and industrial policy, and that on basic food consumption) wherein the differentiated nutritional needs of the poorest population in the country are identified and basic baskets for the critical geographical areas are promoted.

The labor policy is based on an integrated concept of the person as the author and beneficiary of his individual and collective action. The labor objectives govern the policy for employment under decent and just conditions, through action to protect the purchasing power of the wage and popular consumption, cooperative development, social organization for work, the establishment of an integrated system for administering labor policy, popular recreation and cultural improvement of the workers.

The Plan includes and projects the strong action that has been taken to deal with extreme neglect, through extensive programs to improve health in the rural areas, to supply basic goods to the underprivileged areas, to promote housing for farmers, to build rural roads, to provide education, food and training for children in scattered communities and to create permanent jobs in the task of the nation's reforestation.

15. Policy on wages, prices, profits and taxes

The policy on wages, prices, profits and taxes is the distributive representation of the Plan. In establishing this policy, there has been a convergence of the philosophical principles of the National Design, the state's relations with the society and its organized forces, and the instruments of economic and social policy which have a direct effect on the distribution of the public wealth, income and social benefits.

The essential part of the policy on wages, prices, profits and taxes is the establishment of action which can lead to a real increase in the weight and participation of wage-earners in the national income.

The definition of principles occurs within a political structure wherein there exists a highly significant alliance between the political institutions and the organized labor movement.

The policy is intended to achieve a balanced status between profits and wages, creating consistency between the increase in demand and the stimulus to production, so as to reduce the pressure on prices, increase the purchasing power of wages and, at the same time, allow for a sufficient incentive for business firms to produce the necessary goods and services. As part of this scheme, progress will be sustained in the adjustment and collection of taxes, with criteria that will equitably tax the real capacity for payment of individuals and business firms, without overlooking economic efficiency and the effect of taxes on labor, consumption, savings, investment and employment.

Within this context, the policy in question will continue to be geared to the goal of improving the distribution of income, helping to achieve a declining inflation rate and, at the same time, encouraging the plowing back of profits to expand production capacity and employment. This entails seeking a delicate balance that will make it possible to reconcile the mutual interests of the various production factors with the major national goals, with an attempt

to protect wages and regulate prices and, thereby, modulate profits to a reasonable extent.

There is no single instrument which can achieve all the established goals simultaneously, but they will be the combined result of a series of actions, with emphasis on those relating to:

Wage protection:

The increases in income will be established in such a way that the purchasing power of wages will be increased, causing the benefits of growth and productivity to reach the working class, in order to achieve distributive justice.

Training provided to the workers.

Control of prices of the basic products and cost-price mechanisms.

Intensifying and spreading the establishment of labor union shops.

Social benefits.

Tax support.

Profit-sharing.

Loans to support popular consumption.

Social organization.

Increased supply of basic goods.

Improvement in the marketing systems.

Guidance and protection for the consumer.

Modulation of profits:

Increased competition, through a gradual, selective opening of the economy.

Tax action.

Incentives for reinvestment.

Avoiding speculative hikes.

Curbing of monopolistic practices.

Regulation of prices, intensifying the anti-inflationary policy:

Price controls on the basic products, to preclude unwarranted hikes.

Selective imports.

Regulation of the marketing of basic products, through CONASUPO (Government Basic Commodities Company).

Tax action:

Support for real wages through reductions in income tax.

Continuation of the programs for reviewing the para-state enterprises and agencies, in order to improve their efficiency.

Reorientation of the subsidies so that they will stimulate the production which the country requires and consumption by those who need them.

Continuation of the revision and updating of prices and rates in the public sector.

Programs to increase efficiency and productivity in public spending as a whole, both in the central sector and the para-state sector.

16. Prospects

The process of planning in Mexico does not begin with, and is not exhausted with the preparation of this Plan. This is not the final phase, but rather an intermediate step in a difficult, complex task, which demands the active cooperation of the entire community. The Complete Development Plan is a portion of the status of that process. The Plan has deliberately set its targets and action for 1982, because it is the reflection of a government plan and, as such, is lies within the temporal limits of the responsibility of the present administration.

In 1980, the challenges which the country will face over the next 20 years are already sufficiently delineated. Mexico is on the way to being a nation with a great population, whose increasing needs must be met, with a predominantly industrial and urban structure, a greater capacity for exchanges with foreign countries, and increasingly complicated requirements for technology and organization.

If the community is capable of becoming involved in a rigorous exercise of work and productivity, it is expected that the real annual average rate of growth in the product will be about 8 percent during the next 20 years. This means that, by the year 2000, we shall achieve a real gross national product 5 times larger than the present one, and triple the per capita product during that interval.

The relative size of the economy will change substantially. In 1978, the Mexican national product was nearly 23 times less than that of the United States; but, if it continues on the course anticipated, the multiple will decline to 10 times by the year 2000, based at constant prices. In comparison with Canada and Italy, whose respective national products are currently three times larger than that of Mexico, the gap will be only a third by the year 2000. As for Spain, which at present has an economy 50 percent superior to ours, within two decades it will be nearly 20 percent below that of Mexico.

The change in the productive structure associated with this progress means that, at the beginning of the next century, industrial production would account for 45 percent of the total goods produced internally, as opposed to 30 percent at present; and this would clearly identify the nation as an industrial economy.

If the economic growth is sustained at rates of about 8 percent, by the year 2000 we shall have succeeded in creating 20 million jobs; which means doubling the number created to date; and access to higher levels of prosperity will be possible for increasingly larger population groups, thus fulfilling the expectations cited in the National Employment Plan.

Based upon the multisectorial action and the mobilization of the society's resources, we shall have an educational system better integrated with the needs of development, wherein illiteracy will virtually disappear. In the area of health and social security, the coverage will be extended to all Mexicans, operating with a single organizational structure. Where housing is concerned, better employment and income conditions will make it possible to meet the housing needs of every social group. In the area of food and nutrition, the employment policy, combined with a rural and agroindustrial development geared to a demand structure but in accordance with the basic needs of the population will make it possible to eliminate malnutrition from our country and to improve nutritional conditions for all Mexicans.

These predictions are not utopian exercises, but rather projections of the real opportunities of the nation, which allow us to be optimistic and confident regarding the demanding tasks, which thereby assume greater meaning and proportions. They allow for considering various economic accomplishments to persevere in the effort for national efficiency and strength, based upon our own model. Mexico's favorable prospects are extensive. The effort that they demand is also vast; but there is a just relationship between what should be done and what can be achieved.

It behooves us to stress that we want to be more prosperous in order to be more just. But we shall not wait for the arrival of prosperity in order to start on the path of justice.

The Complete Development Plan for 1980-82 presented now is not a panacea, it is not a precise, finished map that will mechanically lead us to the goals; nor is it a list of answers to all possible questions.

Although the completion of the preparation of the Complete Plan is a step forward, it is the beginning of a new period which will require greater efforts.

The techniques and organization of the planning itself must be cleared up. The periods of time and rate of execution of the policies stipulated in the Plan must be specified; the features of its various instruments must be refined; the interrelationship of the various programs and action must be established in greater detail; and the techniques for analysis, forecasting and evaluation must be improved.

The main task now is to implement the plan over the next 3 years. During that interval, the responsibility of the present government ends. No more can be offered beyond what the concentrated effort confined to a given period allows. But 3 years, added to the first half of this administration, is sufficient time to lend the country a new direction, and leave the firm foundations on which the nation's subsequent development will be based, established.

In short, if the administration strives to attain the goals of the Plan, with the discipline and authenticity that this commitment demands, the confidence which the nation has placed in the regime will be maintained; and the society as a whole will adopt planning as an everyday way of life with greater credibility.

(1) **PRODUCTO INTERNO BRUTO**
(2) **(Tasas de crecimiento real promedio anual)**

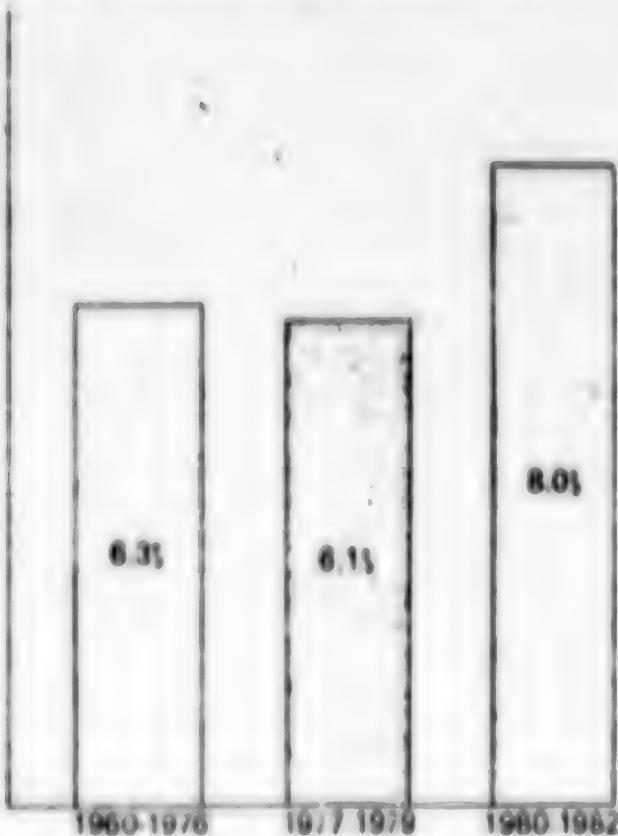


Table I. Key:

1. Gross National Product
2. Real annual average growth rates

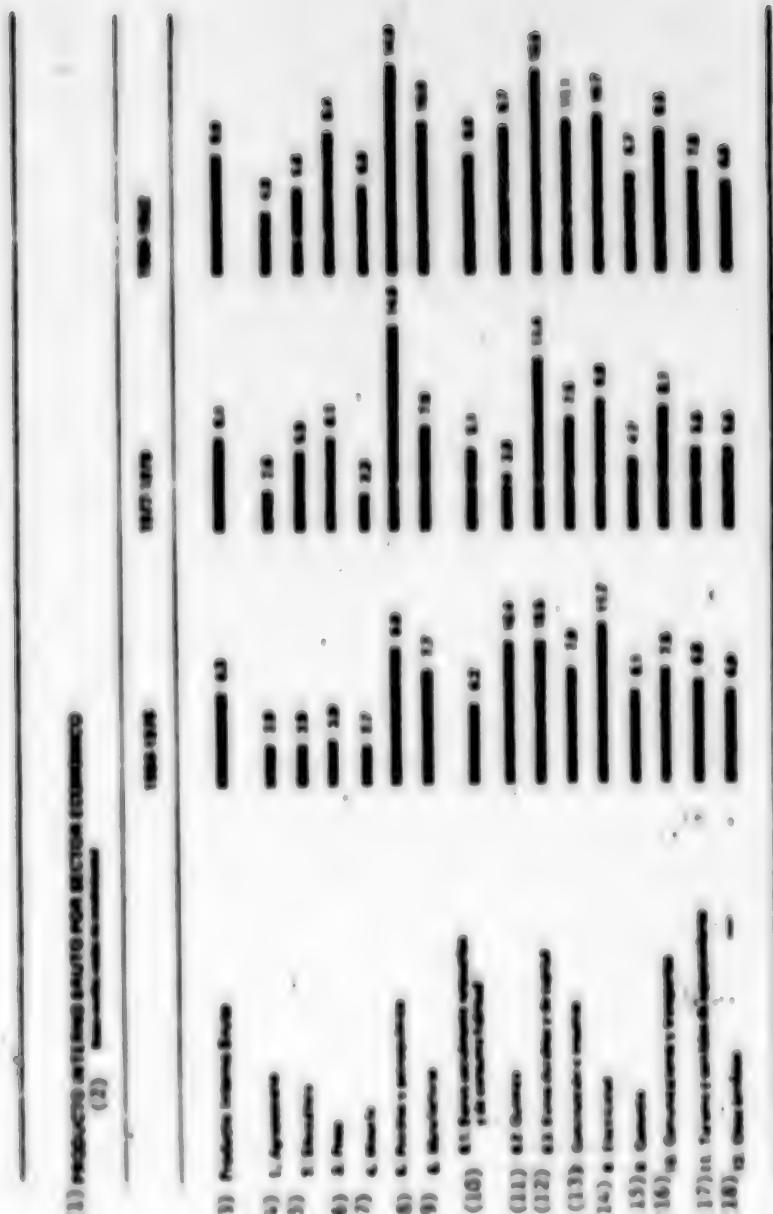


Table 2. Key:

1. GNP By Economic Sector
2. Real average growth rates
3. GNP
4. Agriculture-livestock
5. Forest cultivation
6. Fishing
7. Mining
8. Oil and petrochemicals
9. Manufactures
10. Socially necessary and commonly consumed goods
11. Chemicals
12. Durable and capital goods
13. Construction and input
14. Electricity
15. Commerce
16. Communications and transportation
17. Tourism and recreation services
18. Other services

(1) GENERACION DE EMPLEOS
(2) (Tasa de crecimiento promedio anual)

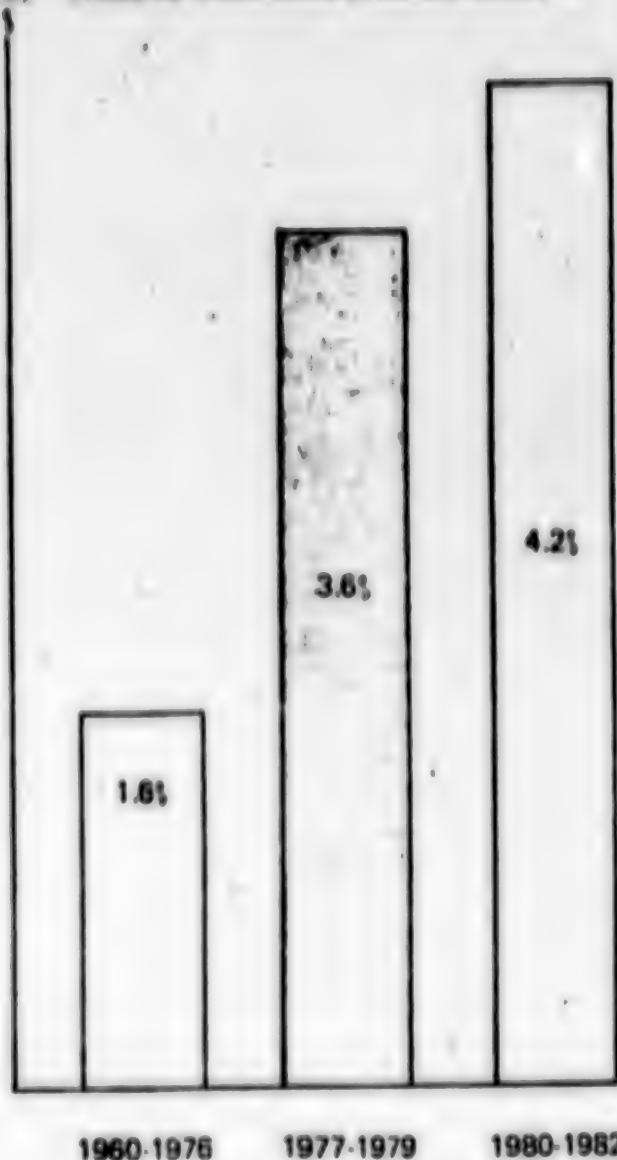
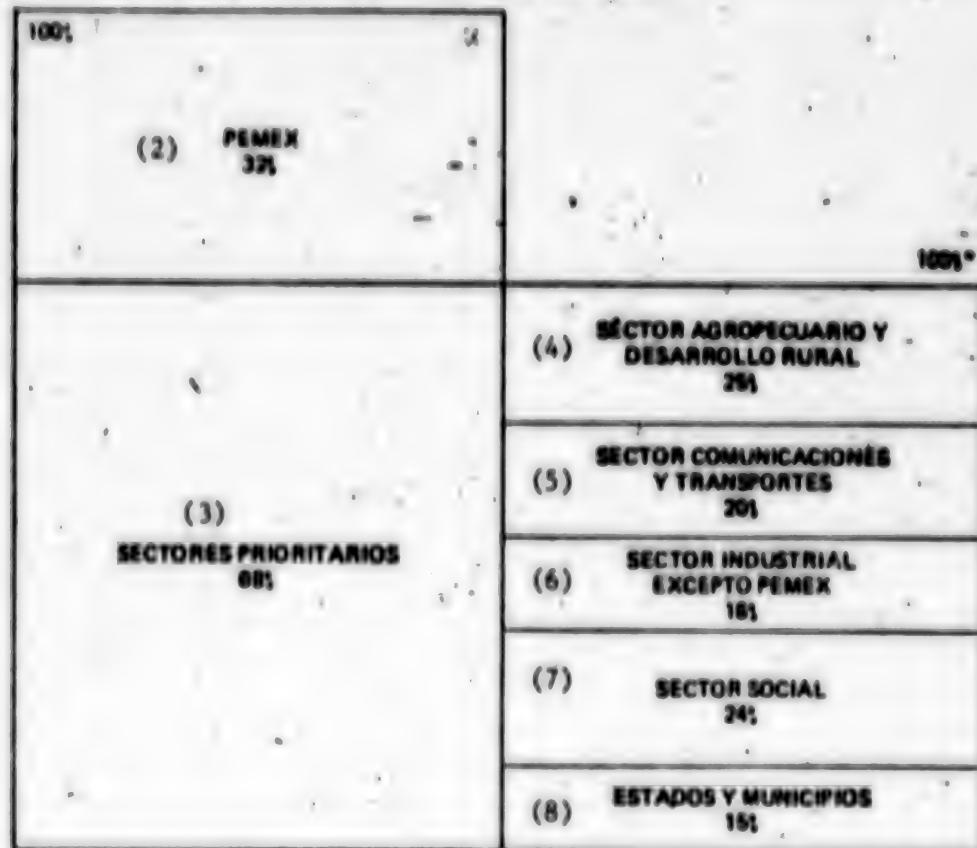


Table 3. Key:

1. Generation of Jobs
2. Average annual growth rates

(1) ASIGNACION DE LOS RECURSOS DEL PETROLEO 1980-1982



(9) Excluyendo los recursos que serán absorbidos por PEMEX

Table 4. Key:

1. Allocation of the Funds from Oil, 1980-82
2. PEMEX
3. Priority sectors
4. Agricultural-livestock and rural development sector
5. Communications and transportation sector
6. Industrial sector except PEMEX
7. Social sector
8. States and municipalities
9. Excluding the funds that will be absorbed by PEMEX

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CSO: 3010

NICARAGUA

GENERAL STATUTE OF COUNCIL OF STATE PUBLISHED

Managua BARRICADA in Spanish 3 May 80 p 3

[Text] General Statute of the Council of State

Article 1. The Council of State will hold regular sessions from 4 May, its opening day, until 4 December of every year.

Should the Council of State be unable to open on the indicated date, it will do so as soon thereafter as possible.

The Government Junta will inaugurate the Council of State on the appropriate dates.

Article 2. During its recess, the Government Junta will be empowered to call special sessions of the Council of State.

Article 3. Positions on the Council of State will be honorary.

The Board of Directors of the Council of State will determine under what circumstances per diem allowances will be permitted, in other words the wages that a council member fails to receive because of his attendance at council sessions.

Article 4. In order to be a member of the Council of State a person must be: Nicaraguan and over age 18.

Individuals who come under the provisions of Decrees Nos 3 and 38 of the Government Junta cannot be members of the Council of State.

Article 5. In the event of temporary or permanent vacancies on the council, they will be filled by the organizations that designated the individuals who held the vacant posts. Should the vacancies occur because an organization or group withdraws from the council, in that event it is the duty of the Government Junta to fill them in the most suitable manner, either by increasing the representation of sectors already on the council or by designating new organizations that ought to be on the Council of State.

Powers of the Council of State

Article 6. The powers of the Council of State will be:

a) To pass the laws submitted to it by the Government Junta, within the period specified by the law, or to propose amendments of these laws.

In specially designated cases the president of the Council of State can ask the Government Junta for an extension of the specified period.

b) To submit bills to the Government Junta.

c) At the initiative of the Government Junta, to reform the country's administrative division by creating or eliminating departments or municipalities.

d) To authorize the operations of civic or religious entities.

e) To grant awards in accordance with the pertinent regulations.

f) To draw up an election bill and a preliminary draft of a political constitution (Article 18 of the EF [Fundamental Statute]) when the Government Junta introduces the corresponding initiative.

g) To ratify the treaties and conventions having to do with the demarcation of international and maritime boundaries.

h) To define everything having to do with conditions for nationality, naturalization and citizenship.

i) To regulate everything having to do with national symbols (flag, shield, anthem, etc.).

j) To request reports from the cabinet ministers or the directors of governmental agencies, through the Government Junta.

Article 7. For each session the Council of State will elect by a simple majority of its members a president, three vice presidents and three secretaries.

Functions of the President of the Council

Article 8. The functions of the president of the council will be:

a) To represent the Council of State

b) To preside over plenary sessions.

- c) To call plenary meetings.
- d) To organize committees.
- e) To direct administrative personnel.
- f) To delegate to any of the vice presidents of the council his role of presiding over plenary sessions.
- g) To appoint the vice president who will assume the presidency in the event of a temporary absence.

Article 9. Once the council has been inaugurated, the president will proceed to organize working committees to take up the various matters that come under the jurisdiction of the council. These committees are:

- a) Defense, interior and justice.
- b) Foreign.
- c) Education and culture.
- d) Health and welfare.
- e) Labor and social security.
- f) Mass consumption.
- g) Production and agrarian reform.
- h) Finances.
- i) Community services, urban reform and human settlements.

The presidency can resolve to set up other committees, should this be necessary in the council's judgment.

Article 10. Steps should be taken to insure that the sectors best suited to the work of the committees are represented on them.

Article 11. The committees designated by the president of the council will elect a chairman and two secretaries from among their members.

Procedures: A: Initiative of the Council Itself

Article 12. The full council will meet for at least 1 day a week on the date set by the president.

Article 13. In order for a bill to be submitted for consideration by the Council of State, it must have the support of at least 10 members of the Council of State, including its sponsor.

Article 14. Once a bill has been introduced, the president must send it to the appropriate committee for its opinion. The committee must issue its opinion in a majority vote within the period stipulated in the bylaws.

Article 15. Once a bill has been received with the corresponding committee opinion, the president must bring it up for discussion in the full council, to which end he must include it on the appropriate agenda.

Article 16. After discussion in the full council in accordance with its bylaws, the president will put it to a vote (Article 17 of the EF). All bills require a simple majority for passage.

Article 17. The presidency must send the council's legislative initiatives, once passed, to the Government Junta.

Article 18. Once the procedures stipulated in Article 15 of the EF have been carried out, the Government Junta must order the bill published in LA GACETA in the original form in which the Council of State remitted it. In the event that there are modifications, the junta will report them to the Council of State so that it can pass judgment on them within 5 days. After such time it will be published in LA GACETA.

Article 19. Bills rejected by the Government Junta cannot be discussed again by the council until the next session.

B: Initiatives of the Government Junta

Article 20. The Council of State has 10 calendar days to take up the laws submitted to it by the Government Junta; this period will begin as of the date of its first scheduled regular session.

Article 21. The council president must include the laws sent by the Government Junta to the Council of State on its agenda with priority over all other items, and the council must pass them or propose amendments, in accordance with Article 14 of the EF. A simple majority is required for passage or amendment.

Article 22. The laws of the Government Junta will not be sent to committee; the full council will take them up directly.

Article 23. Should the Council of State propose amendments to the laws that the Government Junta submits to it, the junta will have 5 days to:

- a) Accept them and have the laws thus amended published in LA GACETA.
- b) Not accept the amendments and before having the law published in LA GACETA in its original form, inform the Council of State of its reasons for rejecting them.

Article 24. The Government Junta has the authority to publish laws, which will appear in LA GACETA or in any mass media.

Article 25. The authority to interpret laws belongs to the Government Junta, which will exercise it through the Ministry of Justice.

Article 26. The Council of State will have a quorum when at least 25 of all of its members are in attendance.

Article 27. The Government Junta can issue laws, decree-laws, regulations, etc., without submitting them to the Council of State, when:

- a) They are administrative in nature.
- b) They involve the creation or abolition of ministries or autonomous entities or amendments of organic laws and their provisions.
- c) They involve the appointment or removal of officials.
- d) Their purpose is to decree a state of national emergency.
- e) They involve the signing of international economic or political agreements.
- f) The national budget and amendments to it are involved.
- g) They involve the creation or abolition of interministerial, governmental or financial councils.
- h) They involve approval of excise tax programs.
- i) They involve the contracting or renegotiating of foreign loans.

Article 28. The Government Junta can decree a state of emergency in part of or throughout the national territory in any of the following cases:

- a) When the country is involved in an international war or if there is a danger of an outside invasion.
- b) In the event of natural disasters such as earthquakes, floods, epidemics or public calamities, and
- c) When because of other circumstances the safeguarding of the peace or state security so requires, in the judgment of the Government Junta.

In its decree declaring a state of national emergency the Government Junta will indicate what guarantees are suspended, as well as other necessary measures.

Article 29. When a state of emergency is declared, the Government Junta can assume all legislative powers.

Article 30. This law amends Article 14 of the EP, which will read as follows:

"Article 14. The laws that the Government Junta issues will be submitted to the Council of State for its consideration, and the council will have the authority to pass them or to propose amendments to them within a period of 10 days by a simple majority vote of its members. If the council does not voice its opinion within the indicated period, it will be understood to have given its tacit approval."

Article 31. At the commencement of each session there will be a preparatory meeting presided over by the Supreme Court of Justice, which will receive the documents accrediting the council members and verify their legitimacy. Once a quorum is established, the president will declare the meeting called to order for the sole purpose of electing the Board of Directors of the Council of State.

After this procedure is concluded, the meeting will be adjourned, and minutes will be written up and signed by the members of the newly elected Board of Directors.

The formal opening session will be held on the date and at the time set forth in the summons issued by the National Reconstruction Government Junta.

Article 32. This law amends and repeals any provision of the Basic Statute and of any other law that is at variance with it, and will take effect as of the moment of its publication in any mass media, which does not preclude its subsequent publication in LA GACETA.

Issued in the city of Managua, 2 May 1980, "The Year of the Literacy Campaign."

National Reconstruction Government Junta

[Signed] Sergio Ramirez Mercado, Moises Hassan Morales, Daniel Ortega Saavedra

8743
CBO: 3010

NICARAGUA

SUPPORT FOR COUNCIL OF STATE CLAIMED, ROBELO REBUFFED

Majority Support for Council

Managua BARRICADA in Spanish 3 May 80 p 3

[Editorial: "Majority Has Already Decided in Favor of Council of State"]

[Text] Despite the boycott maneuver by Robelo and the vacillation by a number of sectors that have still not appointed their representative to the Council of State, the great majority of political, grassroots, and union organizations have already reaffirmed their total support for the inauguration of the colegislative body tomorrow, 4 May. The staging of International Workers Day was a direct reflection of this decision and of the representativeness of the organizations that back the Council of State. Under the leadership of the Sandinist vanguard, hundreds of thousands of workers and peasant farmers, as well as the forces of the Patriotic Front of the Revolution and other organizations, showed the world that in Nicaragua there has been no "trickery," as some people say, and that the decisions of the Government Junta are, in fact, supported by the overwhelming majority of the population.

Thus, it would be worthwhile to review some of the main features of the Council of State around which our people have been rallying.

First, the Council of State is a concrete political expression of the national unity that the FSLN (Sandinist National Liberation Front) has been promoting. Its wideranging, pluralist makeup, under which 29 different organizations are guaranteed participation, insures that no major national force that backs the revolution will be excluded. We can thus see that the main criterion for including various forces in this great national forum is precisely their participation in the revolution so that they can strengthen it by contributing their various viewpoints. What is involved, therefore, is joining the Council of State to participate in the revolution, not to oppose it, as some people think. Hence, those who have given up the idea of participating, like Robelo, are merely abandoning the path of national unity and opposing this basic criterion. Furthermore, the new makeup

of the Council of State and its fundamental objectives fall within the framework of the National Reconstruction Program, which did not stem from any pact or compromise but from our people's and our country's enormous social and political needs, which in order to be met require the national unity that the Council of State will guarantee.

Secondly, the Council of State must reflect the majority presence of the Sandinist movement in order to represent the real hegemony of the masses in the revolution. Far from being a capricious judgment, this statement is based on our country's historical realities, and it is an indispensable requirement to guarantee the consolidation of the revolution in an atmosphere of stability, democracy and progress. We need not mention that the new democratic government is the outcome not of an election compromise but of a people's revolution. And the vanguard of this revolution, the FSLN, together with its driving forces, the organized workers and peasant farmers, not only shed the most blood and made the greatest sacrifices, but they also continue to represent its main foundation and the guarantee that this process will not retrogress and that it will implement the National Reconstruction Program to its conclusion. Moreover, since the revolution itself led to the dominant presence of revolutionary forces in the Executive Branch, in collaboration with other national forces, then these same realities ought to be reflected in the Council of State. Mankind's political history has shown that one of the basic requirements for political order and stability is compatibility between the Executive Branch and the Legislative Branch, especially when both are the result of a people's revolution.

Thirdly, the very nature of the Council of State indicates that it is a revolutionary democratic body, not an imitation of a bourgeois congress. Its legislative function is not to get political action tied up in parliamentary debate among professional lawmakers with a great many prerogatives and opportunities that make their posts merely the object of political ambitions. On the contrary, the point is to develop our democracy further and to enable the people and all sectors to express their views and legislate along with the Executive Branch, but without forgetting that the masses and their organized struggle will continue to be the main source of power and revolutionary changes in this country. For the first time in Nicaragua's history the humble men of the people, now organized in blocs to defend their own interests, will have a direct role in creating the country's laws. We will thus be able to say that our laws are the juridical expression of the will of the people and that the Council of State is an institution of Nicaraguan democracy.

Tomorrow, 4 May, the Day of National Dignity, democracy will move from the streets to the Council of State, not to enthroned itself in a hollow hall and to leave the streets desolate, but to bring the voices

of the people to the revolutionary state, voices that will continue to resound in our factories, fields and cities.

Columnist Attacks Robelo

Managua BARRICADA in Spanish 8 May 80 p 3

(Article by Oscar Mauricio Castillo)

(Text) A few days ago Mr Robelo released a statement expressing his views on the Council of State and the course of the revolutionary process in general. It was Robelo's first public reaction after his resignation and after the scornful indifference that it prompted among our people.

When I went to hear him, I wondered: Has he reconsidered? Has he regretted his actions? Will he try to rectify the serious political mistake that he made? If he wants to be an opponent of the most sacred interests of the Nicaraguan people, will he be a dangerous one? Will he possess enough political intelligence to play his cards as an enlightened bourgeois with a certain degree of maturity? Or will his political suicide at least be elegant enough to offer us a decent funeral?

These were the unanswered questions, but I never imagined that his statements would be so amusing and so completely nonsensical. It so happens, according to Mr Robelo, that in the wake of his resignation the Council of State is now illegal and that therefore all of the decrees that emerge from it are equally illegal. We can therefore conclude that the overwhelming majority of us Nicaraguans who feel that we are represented on the Council of State and who support its establishment, are also placing ourselves outside the law. But then we have to ask ourselves: What law?

Mr Robelo does not seem to have understood that the revolution is a source of law, as Commander Arce has asserted. Mr Robelo still believes that law is the magic wand that makes privileges immutable; deep down, Mr Robelo still believes that law means bourgeois law, the yoke with which a minority subjugates a majority because it is done in the name of the law. And he thinks that with his resignation he is punishing us by making all of us live outside the law.

It so happens that Robelo's absurd ideas are not even original, because in Nicaragua we have the not very remote precedent of the man who served as president for a fleeting moment and who has been asserting from outside the country that he is the constitutional president of Nicaragua and that everything being done here without his presence is illegal. You might have guessed that I am referring to the unspeakable Urcuyo.

Marx once said that similar phenomena often repeat themselves in history, but the difference being that the first time they are tragic and the second time tragicomic. Nicaragua has been a witness to the truth of this assertion when, after 45 years of Somoza family rule, we had a day and a half of Ureuyo rule. And if Somoza was a tragic chapter in Nicaragua's history, Ureuyo was unquestionably grotesque. But what Marx did not mention was how to describe the third repetition of the phenomenon. If Ureuyo was grotesque, then what can we say about Robelo in light of the document that he recently released? We will leave that to the imagination of our readers.

It is sad, nonetheless, that Mr Robelo, who in spite of everything was sincerely anti-Somoza, should now be taking stands similar to those of Somoza's heir. In this connection, he was surely led astray by his political inexperience, not his notion of class.

5743
CSO: 3010

NICARAGUA

ANTICOMMUNISM EQUATED WITH ANTIREVOLUTIONARY SANDINISM

Managua BARRICADA in Spanish 11 May 80 p 3

[Editorial: "Somoza's Heir"]

[Text] After making a fool of himself upon withdrawing from the Government Junta without securing the support of any significant sector in the country, it was to be expected that Robelo would resort to something more bizarre and sensationalist to attract attention. And what could be better than Somoza-like demagoguery itself? Without thinking twice, Robelo outdid the old boy yesterday in Matiguas at an athletic field day-style rural ceremony and picked up the anti-communist flag that Somoza left behind in his sudden departure towards Paraguay. Since then, the genocidal tyrant has had a worthy heir in our country, an heir of "high standing" because he outdid Somoza himself when he said with incredible effrontery that he withdrew from the Government Junta "in order to take up from the plains Sandino's cry of fatherland and freedom." This phrase alone shows to what extremes of demagoguery Robelo has gone with his statements yesterday in Matiguas.

Just as in Somoza's case, Robelo's anticommunism is nothing more than a demagogic cloak for his rabid hatred of revolutionary Sandinism and the people who are in power today. Robelo would call it a "civilized hatred," but in the final accounting it is a rejection of the great and profound revolutionary victory that toppled Somoza from power and closed the doors on opportunism. It is his hatred for the hundreds of thousands of workers and peasants who showed up at Revolution Square on 1 May to back our vanguard and the Government Junta and to express their unified determination to establish the Single Federation of Workers.

It is Robelo's hatred of the majorities that now have a decisive presence on the Council of State that led him to describe them as "totalitarian." It is Robelo's rage at seeing tens of thousands of young brigade members, teachers and workers teaching our people how to read and write, so that they will never again be manipulated by an

exploiting minority, that prompts him to call the Literacy Crusade "communist."

In a word, it is the entire revolutionary program and the decisive support that it has received from all of the sectors of our national unity, that disturbed Robelo so much that he was forced to leave the government and now announce "a totalitarian future." It is thus of no use for him to hysterically wave the flag of anticomunism, because in practice he has already shown what his attitudes are and what interests he is defending.

Somoza was never able to deceive the people with his yarn of anti-communism because it was impossible for him to conceal the anti-people and proimperialist interests that he was defending, and no matter how much demagoguery he utilized in describing as "communist" the just libertarian and democratic aspirations of our people, he was never able to divert them from the path of their liberation.

Exactly the same is happening to Robelo. He cannot conceal the real interests that he is defending, nor will he be able to divert the course of the revolution by dint of demagoguery. The reality of our revolution and the firm positions of our people, who are now strengthened by national unity, contradict him every time he opens his mouth.

The only thing that we are really worried about is the future of the MDN [Nicaraguan Democratic Movement]. Is the entire organization perhaps obligated as well to take up Somoza's flag and path, as Robelo has done? It would be regrettable if this, in fact, were to happen, because we are certain that there are honest and progressive factions in the MDN that have a major role to play in our policy of national unity, and their participation should not be thwarted by Robelo's personal ambitions and political frustrations.

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ALTERNATIVES OF APRA POWER ANALYZED

Lima EQUIS X in Spanish 8 Apr 80 p 10

[Article by Juan Abugattas: "APRA and the Left"]

[Text] The electoral atmosphere, already heated, began boiling 1-1/2 weeks ago when, during a talk organized by Desco, Carlos Roca, one of the new APRA [American Revolutionary Popular Alliance] leaders, said that he thought APRA should seek an alliance with the left, including the Marxist left. This would be based on certain concrete points including the possible amendment of the Constitution and the promotion of cooperativism and social ownership.

This suggestion is important, not only because it is unusual but because of whom it came from and because it was formulated at a crucial time in the political life of the country. It is not prudent, perhaps to resort to the old expedient of an immediate, off-the-cuff response. Neither would it be prudent to assume that the statements of one of its minor leaders who has been disqualified by other APRA leaders (Luis Alberto Sanchez) would erase the entire well-known trajectory of APRA.

Political Alternatives--In order to understand the scope of this proposal better, it is appropriate to begin by analyzing the real alternatives that we Peruvians have now and the role that APRA might play in the coming years. It would seem that the only two parties that have a reasonable chance of reaching power are APRA and Popular Action. Let us ask what each of these two groups could do once in power.

If Belaunde's party gets to Pizarro's palace, the most likely thing is that the regime will have the support of the PPC [Popular Christian Party] and the other rightist groups. The government's relationship with the left would be necessarily antagonistic although, at least for a short time, it can be hoped that a Belaunde regime would respect the rules of the game of a formal democracy. This would unquestionably leave some room for action by the leftist groups which could continue their organizational activities in the unions and in mass organizations in general. This apparent freedom

of action will by necessity have well-defined limits that will be felt as soon as economic conditions worsen. The first limit will be the inevitable weakness of any rightist government. The second will be the omnipresent military pressure.

In order to compensate for their weakness, the rightist groups will seek an alliance with APRA which, as we all know, cannot be freely given. In exchange for its support, APRA can demand only two things: either direct participation in the government or a free hand to take over mass organizations or both. In any case, the main loser will inevitably be the left.

This same scene will be repeated if APRA reaches power alone. It is necessary to form alliances with the traditional right or with the soldiers to stay in power. In that case, very intensive repressive activity must be expected from the APRA government.

Lastly, there is a third possibility: that APRA will rise to government with the aid of the left and, consequently, with its hands clearly tied from using repression against the left. If it wants to act with any political realism, the left must examine whether this alternative is viable or not.

It is necessary to consider many factors. In the first place, there is the constitution of APRA itself and the possibility of trusting the promises that its leaders might make during the electoral campaign or during the interregnum when parliament must elect a president.

With respect to the first, we have already read Luis Alberto Sanchez' statements. To the degree to which he represents an influential trend of thought inside APRA, any possibility of a limited agreement would have to be discarded. On the other hand, some of the signals that the APRA presidential candidate seems to be emitting recently might indicate that his position is closer to Roca's than to Sanchez'. However, that is something that the left must not try to "guess" and can be explained only by a clear and direct statement from Villanueva.

Toward a "Historic Compromise"--Nevertheless, although Villanueva is publicly committed to seeking an understanding with the left without qualifying it, the structure of his party and its trajectory must be considered.

In my opinion, the left should not consider any type of understanding with APRA if that party does not take certain concrete and visible steps to put an end to the action of its shock troops against the left itself and in general.

The left would act wisely if, in any potential pact, it asked for the inclusion of two security clauses that would serve as the basis for peaceful coexistence with APRA once it was installed in power. One of those clauses would guarantee that the leftist groups would participate in the

formation of the cabinet. In other words, APRA would take a chance on a "historic compromise" with the left. The second clause would be an agreement to carefully respect democratic procedures inside all the mass organizations.

If all this is fulfilled, I do not see any reason that the left cannot reach an agreement for temporary government with APRA in order to advance an emergency plan that truly considers the needs of the people; e.g., a program of structural reforms including agricultural development and the promotion of socialized forms of ownership.

In any case, APRA must take the initiative and explain its position on a possible alliance or understanding with the left. The left, if it has a minimum of political realism, would do well to wait for the development of events before issuing a final pronouncement. Silence in this case would be a sign of political skill. To close doors and eyes in the name of principles without evaluating the circumstances and without considering relationships of power would be like betraying those principles. In the concrete case that we are considering, it would be worth the trouble to exercise prudence and leave time for speculation since the alternatives to leftist participation in power all lead to repression and to antipopular policies.

A final and important factor in this rapprochement between APRA and the left was the "Statement of Presidential Candidates" against "the total violation of human rights" in Argentina signed by Armando Villanueva (APRA), Genaro Ledesma (FOCEP [Student-Peasant-Worker Popular Front]), Roger Caceres (FRENATRACA [National Workers and Peasants Front]), Hugo Blanco (PRT [expansion unknown]), Carlos Malpica (UDP [Popular Democratic Union]) and Leonidas Rodriguez (UI [Unity of the Left]). This is a very positive factor that should be greeted with enthusiasm by every sincere leftist. The only thing that can be criticized is that they did not let the other four leftist presidential candidates sign it: Javier Tantalean (OPRP [Political Organization of the Peruvian Revolution]), Horacio Zeballos (UNIR [expansion unknown]), Luciano Castillo (PS [Socialist Party]) and Gustavo Mohme (APS [Socialist Popular Action]). Of course, it would have been worse if some of them had refused to sign the joint text. This discrimination--whether it comes from APRA or the Communist Party (Moscovite)--is a bad sign. Hopefully it will disappear quickly.

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MINISTER SPEAKS ON PERFORMANCE OF SOME SECTORS

Lima EL COMERCIO in Spanish 25 Apr 80 pp 8, 9

[Interview with Minister Jorge Du Bois Garvazi; author, time and place not given]

[Text] [Question] What is the nature and magnitude of the development of Peruvian industry in the last decade?

[Answer] In the last decade the manufacturing industry has undergone drastic changes which obviously have not led to the completion of definite goals.

From the sixties we inherited an industry oriented toward export substitution and mere assembly of goods, with an increasing dependence on foreign countries not only with regard to patents, but also machines and inputs. In view of that weakness and dependency, in the first stage national industry was over-protected. There was even a ban on imported finished goods. The General Industry Law (Decree-Law 18350) included other promotional factors such as tax incentives for reinvesting profits and the importation of inputs and capital goods.

In a second stage, given the weakened state of the local market due to international inflation, manifested domestically in a recessionary trend, and given local industry's need for the stimulus provided by foreign competition to force it to be competitive in quality and prices, and its need for a market for export products so that it can operate economically, the terms for protection and promotion have been altered.

Proof of the strengthening of industry lies in the quick about-face toward an export orientation. In 1979 there was an unprecedented growth in Peru amounting to \$680 million.

Aside from the multiplier effect on trade and services, today the manufacturing industry represents 25 percent of the Gross Domestic Product, meaning that one of every four soles in production is attributed to this sector, and, this means real jobs, not underemployment, for 270,000 people, many of whom with a high degree of technical training. Given an average of five people per family, 1.35 million people are directly linked to this industry.

Thus, I believe that this past decade has not exactly been a wanted decade for national industry.

[Question] Would you say that Peru's industrial development has been widespread, in terms of the emergence of new industries? How far have we progressed in basic industries, in capital goods?

[Answer] Look, the basic industry that is reserved for government ownership has made important strides in recent years. As examples I can cite the new newsprint plant that makes paper from bagasse in Santiago de Cao, the expansion of the Yura cement factory in Arequipa, all the complementary programs undertaken by the Peruvian State Iron and Steel Enterprise (SIDERPERU) to increase production by 100,000 metric tons a year, and in the private sector the expansion of the Pacasmayo cement plant with the help of the Financial Development Corporation (COFIDE). There are also other projects in progress, the most outstanding being the SIDERPERU Short-Term Development Plan, the expansion of productive capacity at PVC [expansion unknown] in Paramonga, and the increased productive capacity of caustic soda at Quimica del Pacifico.

As far as the other industries are concerned, the new production figures for recent years have been impressive.

[Question] I don't believe there have been significant advances in the metalworking industry in the private and public sectors. Why?

[Answer] The metalworking sector is one of the most important in our manufacturing industry; as a point of reference I can say that it represents approximately 20 percent of the nation's industrial activity. Peru has a very reputable metalworking industry. For about 20 years we have been producing complete concentration plants for small- and medium-scale mining; we all know that the fishmeal plants were constructed in this country; the small vessels and ocean-going vessels manufactured by the Maritime Industrial Service have shown impressive progress, and are now being built at a rate of two a year. This is important, because when speaking of vessels we are not just referring to the hull and the work done on the rigging, but also to a series of collateral industries that have been developed as a part of the Maritime Industrial Service (SIMA). You have seen the exports of hydraulic pumps, electric motors, etc., all of which show us the qualitative importance of the metalworking sector within the nation's industrial activities.

With regard to the automotive industry, we should note that because of the mechanisms of the Cartagena Agreement, specifically Decision 120, we have not been able to develop this sector as fast as we could have, because we must wait for community agreements. However, we already have a factory, Modasa, to produce engines.

But we are aware of the great obstacle that the national financial system represents for the development of metalworking. Peruvian industry has a

hard time winning bids when the imported product comes with payment terms of 10 to 12 years, and several years' grace period. In order to solve this problem, we have created the Capital Goods Fund, using resources provided by the Central Reserve Bank. This will allow the industries to compete financially with those of other countries. Competition in quality and price is a problem for industrialists, but the government is giving them a chance to compete financially.

Everyone knows of the stimulus we have provided for metallurgy, the most noteworthy cases being those of the copper and zinc refineries, and in the industrial sector itself the non-ferrous metals extrusion and rolling plants.

In short, I think that we can't really speak in terms of an explosive development, which would almost certainly have happened if we hadn't had that difficult interim between 1975 and 1977. In the latter year, progress was slowed to the extent that there was a negative growth figure: -7.7 percent. In 1978 the figure was -2.2. However, 1979 ended up with a positive growth of 6.2 percent.

Undoubtedly, if we had continued the growth rate of the years prior to 1975, at this time we would be much better off.

In any case, as I have already pointed out, the consistency and solidity of our industry has allowed for a quite rapid recovery.

[Question] It is generally felt that heavy, basic industry is not very profitable, sometimes not profitable at all.

[Answer] It is not profitable in terms of economic resources, but it is in terms of national development.

[Question] Given that the highest earnings are in light industry, does this mean that the government should bear the burden of development, leaving the profits to private capital?

[Answer] I think we have to define what earnings are, whether you mean earning money or more development. I do not believe the state should do business for the purpose of making money. The government's goal is to make development, not to make a greater or lesser number of soles. By the same token, you can't expect a businessman to invest his economic resources for national development even if he will lose money.

Obviously, then, capital will go where the profits are. And the state will go where national profits, or collective development, can be found. In our case, for example, SIDONPERU for a long time was a losing proposition, but it persisted. Now it is profitable; it does not earn much, but it is not an economic burden, and it plays an important development role.

[Question] What about cement, which is a basic industry? Why did it not remain exclusively in government hands?

[Answer] Well, the Industry Law is very specific. Basic industry should not be operated exclusively by the state. It says that basic industry can develop as a function of concessions. The recent trend has not been to return basic industry to private hands, but to grant concessions for exploitation. The state continues to own shares in Cemento Andino and Cemento Pacasmayo, with 49 percent. It has an effective presence, a voice in decision-making. And there is also a concession contract.

[Question] Does it have an expiration date?

[Answer] Yes, in 20 years. According to the law, the appraisal will be the basis on which the government determines how much it will pay for stocks purchased from private capital. But in the specific case of Cemento Andino and Pacasmayo, the reversion will be cost-free.

[Question] What is the situation of the Cementos Lima firm?

[Answer] This case is different from that of Andino and Pacasmayo. The problem was turned over to the Judicial Branch, but an agreement was reached whose terms are already common knowledge.

[Question] In recent years 90 percent of our industry has located in Metropolitan Lima. Why has the industrial decentralization policy failed?

[Answer] The decentralization law had many positive aspects, but over time, perhaps due to legislation passed in other areas, those incentives were gradually minimized. I think one of the problems was that marginal incentives were given for decentralization in other promotional laws, instead of an integrated approach to decentralization. Practically the only incentive left for decentralization of industry was the special tariff treatment for businesses in certain sectors, contained in the Industry Law. That incentive was finally eliminated when the new tariff policy was implemented.

The experience we gained helped us to formulate the new economic decentralization law. Speaking of experience, I must mention the factors that hindered successful results. We believe that one factor was the fact that despite the incentives there was really no administrative decentralization. Businessmen continued to rely on Lima for the most important things, from the make-up of the business itself to the obtaining of loans. I think that in this case the new decentralization law is positive because it forces financial institutions to create autonomous structures in the provinces.

The other negative factor was the lack of infrastructure for decentralization. Industrial parks did not receive the necessary support, and some were not finished. Now we are taking the necessary steps to complete their construction and to create others.

[Question] What can you tell us about the social objectives achieved in the industrial sector?

[Answer] In the social sphere some truly monumental measures have been taken in the last 10 years. We have the Industrial Community, which means effective participation by workers in the benefits and management of the business. Now, when we say business, we think not only of management but also of workers. If we say that a business is doing well, that it is making a profit, we are not thinking that the businessman is filling his pockets; we are thinking that the workers are also earning more. A new generation of managers and workers is being formed with this mentality.

Another important factor in the social sphere is that of the consumer of industrial products. We recently issued a decree to regulate prices of these goods. A good percentage of the inflation rate has been determined to stem from speculation. There are products that have risen 70 to 80 percent in one month without a corresponding rise in the cost of raw materials; moreover, in some cases the raw material is subsidized. We feel that it was necessary to take steps to curb these distortionary factors. The 24-hour automatic adjustment system has been changed to a 60-day automatic adjustment, giving the sectors of production time to analyze more objectively the prices of the goods that are on the corresponding list. We believe that this action will protect the user, the consuming population, and will help fight inflation. We are aware that the price set at the factory can be absurdly high by the time it gets to the retail purchaser; look at the case of beverages for example. In our opinion, the best and most thorough control lies in an abundant supply and real competition, and in the buying power and selection of demand. Therefore, we think that any measure taken to control the situation would be insufficient, and should be in effect only as long as the emergency lasts.

[Question] Speaking of worker participation, it has been said that the Industrial Community is hindering capital investment, discouraging investment and placing Peru at a disadvantage in comparison with its Andean trading partners. Has this problem been studied, and if so what conclusions have been drawn?

[Answer] Look, every country has its own way of achieving worker participation. Some do it through a simple distribution of profits, other with labor communities. In some countries the distribution reaches 20 percent--I'm talking about Andean nations--and in others it is 15 percent. In our case it is 25 percent. So we cannot say that the Industrial Community is driving the price of the product too high.

[Question] Do all Andean Pact countries have labor participation programs?

[Answer] Colombia, Ecuador and Venezuela do. I'm not sure about Bolivia.

[Question] I think there was a plan to establish a Commercial Community, like the Industrial Community. Why didn't it come to fruition?

[Answer] It is much more difficult to do that in the commercial sector because of its diversity and special characteristics. You should also bear in mind that participation in the ownership of a commercial enterprise is difficult to measure; fixed assets are not important, and the value of the business is measured in terms of its place in the market.

[Question] But there is a certain inequality among workers. Why isn't there at least a share in the profits?

[Answer] We haven't determined the way to do it yet. I think this task will be up to the next government. It will have to study the question of worker participation in the sectors that still do not have such a system.

[Question] What is the motivation for liberalising imports?

[Answer] The General Industry Law created a system of industrial protection through the National Registry of Manufactured Goods, which is a sort of "infinite tariff." The idea was that once a product was listed on the Registry, it could not be imported. This was done in order to provide maximum protection for national industry, allowing for the development we have referred to.

Now the country has an industry, that is a fact. We have not wasted a decade, we have gained a future. However, during these years of economic crisis people have been asking why this or that product costs so much. That higher cost is the price, perhaps excessive, of industrial development.

After the initial years of creation and development in our industry, when almost exclusive attention was paid to the domestic market, we believe that a new stage should begin in which our industry should turn to the external market. Thus, it will be able to increase its production volumes, lower costs and directly benefit the consumers. Two factors are indispensable for this process: price level and quality.

To attain the factors needed by industry in the newly begun stage, we found it necessary to change the policy banning imports through tariff protection. In each case, technical studies were carried out to determine the level.

[Question] Don't you find this liberalization somewhat premature?

[Answer] It has been said that the liberalisation is happening too fast. But we have a deadline to meet: 1983 is the year when the Common External Tariff of the Andean Common Market comes into effect. Therefore, there will no longer be any tariff barriers to trade in the sub-region. Furthermore, in 1988 we will have to begin full implementation of the External Tariff, because the exceptions made for Peru by the Andean Group will expire then. That means that important sectors such as textiles will no longer have tariff barriers in the area. It is in this context that we must overcome the inefficiencies and rigidities that currently plague our industry, and step up efforts to set efficiency objectives that are consistent with the economic and social goals to which our people are entitled.

The new tariff is the first step toward the gradual adjustment of our industry to come to grips with competition from imported goods by complying with the quality and price requirements that are indispensable for gaining the favor of the consumer and winning a spot on foreign markets, especially those of the Andean Group nations.

We are aware, however, that although competition is necessary, it is also imperative that we be very cautious about lifting barriers to foreign trade until we acquire the experience and efficiency that other countries already have in international commerce. For this purpose we have issued a law that will prevent dishonest practices in importation, known as the anti-dumping law.

[Question] Do you believe that an incipient industry such as ours will be able to compete with transnational enterprises on the domestic market, protected only by tariffs?

[Answer] We have taken a series of additional measures, like creating an Import Supervision Commission and an Appraisal Commission. There is no doubt that no industry, developed or not, could successfully combat dumping. But if there is no underpricing, or if it is controlled, we will certainly be able to compete. Our ability to compete is not just an imperative for national industry, it is a sub-regional commitment.

[Question] Do you feel that the export industrialization model that is being advocated is enough to promote rapid development in Peru?

[Answer] We have already seen that in the crisis of '75 there was a deficit in the balance of trade, and non-traditional exports were an important factor in our recovery. This does not mean, however, that we can live on non-traditional exports alone. But these exports should be maintained permanently, because the products are not subject to the drastic price fluctuations experienced by raw materials on the international market. Moreover, the jobs created by the manufacturing industry are more numerous in proportion to investment in this sector than in any other. We should add that when the crisis situation led to the adoption of measures to promote non-traditional exports, there was a high percentage of idle installed capacity in industry. Well, that installed capacity began to come into use for export products, and new jobs were created.

There is a general tendency to shy away from analysing this problem rationally. The recovery from that crisis was due to two factors: a successful economic policy and improved international prices.

The Non-traditional Export Promotion Law was a wise move in that it prevented the industrial sector from collapsing irreversibly, and it even helped that sector to get back on its feet and gain experience by going into the international markets.

[Question] Let's talk about the Certex. Originally it was a tax rebate program, but the Export Promotion Law freed exports from all taxes. Why is the Certex still called a tax rebate?

[Answer] I think we need to clear up some things here. The Certex had existed several years before the Non-traditional Export Promotion Law came into effect (it is only a little over a year old). The same thing can be said of the tax exemption for those exports. What the law does--and in my opinion this is its great selling point--is consolidate a system and make it valid for a fixed term, thereby eliminating the uncertainty about its duration. Before, everything was practically hanging by a thread; few were willing to invest for fear that some political decision might change everything. The law creates investment security, and I repeat, that is its great selling point.

I think the name of the incentive is irrelevant; what matters is the recognition that it has allowed us to reach foreign markets and contribute to the stability of our foreign trade, which cannot depend directly on the unmanageable fluctuations of raw materials prices.

[Question] Do you think the country should apply the Certex to raw materials?

[Answer] The incentive for non-traditional exports should apply to manufactured goods, and that is basically what the law was designed for. But I understand that there are some products that unfortunately were already on the list of non-traditional goods and are still there. I wouldn't say specifically that they are raw materials, but they are products with little aggregate value. For this reason we have made certain adjustments recently, as in the case of gold and silver, where there was distortion. In other cases, the Certex has been reduced to zero, such as with copper wire. Even though that is an industrial product, it has a low aggregate value.

[Question] Does the Certex apply to the value of the product, or its aggregate value?

[Answer] It applies to the value of the product, but it is initially calculated with its aggregate value in mind, through a percentage of the final value. But when there is a dramatic increase in the price of the raw material that goes into its manufacture, as in the case of gold and silver, that percentage varies substantially. However, the Certex is applied to the value of the product.

Nevertheless, these adjustments to correct for distortions are done in cooperation with industrialists. We do it this way because the law has established a period of 4 years during which the Certex cannot be modified, and we don't think we can change the rules unilaterally. Fortunately, we have received strong support from the industrialists themselves for correcting these distortions.

These situations have been used to make generalizations and to argue that the CerteX is really an anomalous protection for exports. I think it is a good system. It needs improvement, but it would make no sense to eliminate it. The CerteX should be maintained, and I feel that that should be the responsibility of the incoming government.

[Question] Do you think the CerteX should apply to the transnational corporations that operate in Peru? Don't you think it is a bit unrealistic for the Peruvian government, which is so poor, to be subsidizing huge enterprises?

[Answer] I believe we must get to the heart of what the CerteX is. The CerteX is not a subsidy for business or the businessman. It is a sum that is granted to make the national product competitive on the foreign market. The money that is invested is not intended to increase the profits of a business. It is simply that, if the CerteX were not granted, that business would not export because its product would not be competitive and therefore the yield would be low. What we want is for there to be production so that there will be jobs. Someone was asking me how it could be possible for a national product to cost 40 in Peru, and 30 in another country, so that we would be subsidizing the consumer of that country so that he would buy the Peruvian product. Well, the issue is very simple: If the product is not sold at 30, it is not sold, because that is the international price of the product. The CerteX permits the national product to compete abroad.

Our efforts should be centralized so that the product will also cost 30 in Peru. At such a time, the CerteX would no longer be necessary. But that means: Industrial Development.

This support system, which includes the CerteX, exists in almost all exporting countries. It has different names, but it is not designed to help the businessman, or the business, but the product itself.

Some people think that the businessmen are getting rich with the CerteX, as if the person who charges the CerteX keeps it for himself.

I think those who criticize the CerteX are quite ignorant about these things.

[Question] It has been said that the earnings of businesses during this past decade have been quite high, mainly due to the unlimited protection they have enjoyed. The problem is finding out whether these profits have been capitalized, whether they have been reinvested.

[Answer] I do not like generalizations. There are businesses that have done well and businesses that have operated in the red. In 1979 profits were significant. They weren't so high in 1978, and in 1977 most companies lost money; some went bankrupt. . . . But returning to your question, the percentage of reinvestment has been remarkable. Investment incentives have made it profitable to reinvest. At a given moment, under the plan before

the Industrial Community came into effect, there was--I would say--excessive reinvestment in order to prevent the Community from reaching the 50 percent of stock that was foreseen at the time. Now that is not happening anymore, and in general reinvestment has been quite heavy.

[Question] What about investment?

[Answer] That is what worries us. We believe that investment that is not tax-exempt is modest considering the nation's potential.

[Question] Are you referring to private investment?

[Answer] To direct, non-tax-exempt investment. Reinvestment is exempt from taxation on profits. In a way the state is investing when it waives taxes. The difference between current direct investment and reinvestment is remarkable. We are concerned about that difference.

[Question] To what do you attribute this trend?

[Answer] I would say that it is a series of factors. Recently there has been some uncertainty. This pre-election period is not the best time for increased investment. However, during this semester we have tried hard to promote investment, and of course reinvestment, through the incentives provided by the decentralization law. Remember, too, that our country is still short on savings.

[Question] But there wasn't much investment before, either.

[Answer] In the years before the crisis, there was considerable investment. Ever since the crisis, there has been a shrinkage in that area. But by 1979, between January and November 66.559 billion soles were reinvested, while 9.655 billion were invested.

[Question] Has a definite cause been pinpointed for this, shall we say, lack of new investment?

[Answer] I would have to study it in detail. The generation of new wealth is a function of existing wealth. If an enterprise's earnings are reinvested, new wealth is created. The new investment usually comes from foreign capital; national investment is a product of earnings.

[Question] Regarding trade, tell me, is Callao still the most expensive and unsafe port in the world?

[Answer] I'm not sure it is the most expensive and unsafe in the world, but it is unsafe and therefore expensive. We recently had a meeting with the National Confederation of Merchants (CONACO) to look into theft in particular. As a result of the surge in imports, there has been a greater volume of merchandise lately and the thefts have been on the rise. Along with them, insurance premiums have climbed, so naturally the port has become more costly.

Now we are working with the sectors involved to study the situation, including the possibility of hiring experts to eliminate the problems. In spite of everything, in the last few years the port of Callao has improved its infrastructure considerably. But there is no denying that the increase in imports should cause more problems.

Let us remember, however, that Peru has other good ports very close to Lima. For example, Generalissimo San Martin in Punta Pejerrey has excellent facilities and a large capacity. It was not profitable in the past for some ships to go as far as Pejerrey to unload a small cargo. But now, with the congestion in Callao, they are beginning to go to Pejerrey with large cargoes.

[Question] Regarding price regulation, does your ministry have the operative capacity to undertake effective controls?

[Answer] That is one of the problems we have, and we are trying to obtain support from other sectors. Actually, one of the reasons for changing the automatic adjustment system from 24 hours to 60 days was the realization of our limited operative capacity. I think that with the new time period and the support we are already receiving, we will be able to meet all the requests for price adjustments. But if after 60 days we have not been able to issue a ruling, the price requested will automatically come into effect.

[Question] Does that mean that there can be speculation due to deficiencies in the ministry?

[Answer] No. When the requested price comes into effect after 60 days, the law allows for the price to be reduced if it has been determined that the price was raised unfairly.

[Question] Can your ministry turn down a request to raise prices?

[Answer] Of course, that is the very purpose of the regulation. The producer must show us his price structure and prove that he needs to boost prices. Not all products are easy to study, but there are quite a few indices to determine whether the request is justified. It is not so hard to determine a price when a product has been regulated before, but it is a little more complicated with products that have just come under regulation.

[Question] If, for example, it is proven that the current price of a product on the market is excessive, can it be lowered?

[Answer] Yes, we are authorized to do that, and it has already happened in some cases. Last year, for example, when the 24-hour regulation system was in effect, school equipment and shoes went up in price. But we did a study of the reasons for the hike, and proved that it was excessive. We forced them to lower the prices.

[Question] Could you tell me what is understood by "excessive" in terms of a firm's profits?

[Answer] The mark-up of a product, which is where the profit comes from, is determined by the Secretariat of Commerce, depending on the product and the cost structure. The mark-ups are set by the secretariat by resolution.

[Question] For each product?

[Answer] For each regulated product.

[Question] Now I would like to ask you about tourism. Why do the official tourism promoters behave as if all tourists were archeologists?

[Answer] Countries use their major attractions in tourism, and Machu Picchu is our permanent attraction. Of course the tourist must come to see something other than just Machu Picchu. It can be said that recent steps have been taken with regard to promotion. We have created the Tourism Promotion Fund, which this year has begun to work vigorously with considerable resources, for promotion is a costly venture as it has to be done abroad.

The idea is to create carefully researched tours. The Iquitos-Cusco one is good, as is the Huaraz tour, and further north, the Piura and Tumbes tours. We are going to purchase car-trains for the Arequipa-Cusco-Puno route in order to provide comfortable transportation for tourists. We have made substantial progress in the hotel business by applying the Tourism Promotion Law.

[Question] It seems that there is a certain tendency to deceive tourists in hotels, restaurants, businesses, etc.

[Answer] The Peruvian people in general still do not have a tourism mentality; they do not see the importance of tourism for the nation as the people of other countries do. However, we are launching a campaign in cooperation with the tourism service sector to gradually build up this awareness among the people. I am referring to those who work in restaurants, taxi drivers, the man in the street who is accosted by a tourist who needs information. In addition, we have created the Tourism Police Force to help visitors.

[Question] There has been no apparent development of domestic tourism: people do not travel, because they find that the tourist hotels are too expensive.

[Answer] Not only tourist hotels, private hotels are expensive too. Right now the most serious limitation is the low buying power of the population. But there are other constant factors. I would like to point to the example of Huaraz. For a long time in Peru everything possible was done to promote tourism in that beautiful area, without success. In 1978 the new highway was opened, and tourism tripled immediately. So not only do we need the economic potential to make tourism possible, but we must also have transportation facilities. In the case of Ayacucho, which has marvelous attractions, it does not get the flow of tourists it should have because of a bad highway. The only practical way to get there is by plane.

[Question] I understand that there are plans to sell some hotels to the state. Why?

[Answer] The most important thing is that the state enterprise known as the Peruvian National Tourist Enterprise (ENTUPERU) was created to blaze some trails in areas where conditions are not very promising for private investment. Evidently, to meet this goal, there must be an extensive hotel network in the best places for tourism. This would generate a surplus which could be used to open new establishments under the indicated conditions. In accordance with this policy, we are proceeding to the sale of a group of hotels that have already served the promotional function for which they were built. Due to their size and characteristics, it is not convenient to keep them in the state-owned hotel chain.

[Question] In the integration sector, what is your greatest concern at this time?

[Answer] The Automobile Program. According to Decision 120, some vehicles have to be co-produced with other countries in the region. We have a truck, the B3, which will use an engine co-produced by Peru and Colombia. There is an automobile that will have a Venezuelan engine. Thus, the decisions are linked to each other; one decision depends on another. But in those vehicles that we could call exclusive, we have already made the decision. Such is the case with the A3 car and the B2.1 truck. Volkswagen won the bidding, and we are discussing the contract with them. We have just had a meeting of the ministers of industry and development to study the problems that have arisen in the development of the Automobile Program that was successfully completed.

[Question] Will the whole car be produced under the integration program?

[Answer] No, I think Decision 120 of the Cartagena Agreement envisions a 70 percent integration. There would have to be a large economy of scale to reach 100 percent.

[Question] When the common external tariff comes into effect, will the Andean Region be like a single country from the point of view of foreign trade?

[Answer] Yes, of course.

[Question] Does that mean that the Andean nations are moving toward a political integration?

[Answer] An economic integration makes a political integration possible or viable. But an economic integration does not always necessitate a political integration. The goal in this case is to have a common market, a greater buying power and a greater productive capacity. The common tariff will not isolate us from the rest of the world; it will allow us to participate more actively in international commerce.

[Question] From the industrial standpoint, if there is shared, almost fragmentary development, isn't a certain amount of coherence lost in each of the countries?

[Answer] No, not if the programs are appropriate; but if they are not well-structured there can be certain distortions, as in the case of a country that had an industry that did not supply the whole area, but it did not allow another country to make up for the shortfall. But it is not foreseen that such a situation will arise.

[Question] What enterprise is doing poorly in your area?

[Answer] As I see it, none is losing money at this time. The one that has reduced its earnings is Paramonga, because it has taken on a new responsibility, the newsprint factory, which involves a large investment.

[Question] Do you mean that the newsprint factory is in the red?

[Answer] Bear in mind that during the first months of operation, when for obvious reasons companies do not obtain maximum production levels, they tend to lose money; the newsprint factory is no exception to this rule, and in its first 8 months of operation it has not produced a profit yet. However, this situation should change drastically when the production volume for which the plant was built is achieved.

[Question] Bagasse paper is more expensive than imported paper.

[Answer] Right now, we can say that the price is equal to that of imported paper, but there are quality problems that have been confronted since the plant began operating. Those problems should be completely overcome soon. We think it is a lot to ask that bagasse-based paper, produced for the first time in the world, start out with better quality and a lower price than wood-pulp paper. On the other hand, the factory is producing at less than half its capacity, so within a short time the price should come down and the quality should improve notably.

[Question] Would you like to add anything more?

[Answer] I would like to call upon workers and management to reach an on-going understanding so that small differences that may arise can be solved without affecting production.

I would like to call for a concerted effort to move forward in our industrial development, as it is the basis of our nation's progress.

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MINISTER SPEAKS ON ELECTION, ECONOMY, CORRUPTION, SECURITY

Lima GENTE in Spanish 28 Mar, 11 Apr 80

[Interview with Economics and Finance Minister Javier Silva Ruete on 21 March by Enrique Escardo V-G. and Carlos Tovar]

[28 Mar 80, pp 71-74]

[Text] This is the first part (the second part will appear in our next issue) of a 2½-hour talk we had on Friday 21 March with the minister of economics and finance, Dr Javier Silva Ruete. We are grateful for his politeness and sincerity in meeting with representatives of a magazine that does not exactly agree with his economic policy, a policy which nevertheless is saving the country from bankruptcy, although at the highest social cost in our history.

[Question] Did you see the first televised discussion of the Popular Christian Party (PPC) platform, led by Dr Bedoya?

[Answer] I read the fragmentary information that came out later, but I did not see the program. The reports repeated the official statistics regarding the crisis, which have not been concealed. No one can claim that there is no poverty or unemployment. What counts is how we solve these problems.

[Question] Well, he said one thing that is very true, and other candidates have not recognized this: the problem will not be solved in 24 hours. But he made projections that I do not believe he can carry out.

[Answer] Look, in the economic program we are developing, which was explained to the nation on 29 October 1978, we set a series of quantitative goals. And look what has happened: for 1979 we projected a growth rate of only 1 percent, because 1977 and 1978 had rates of -1 and -2 percent; it would be enough if we could just reverse that trend. However, we exceeded our goal. We were wrong about this projection too, but we erred in being too conservative: we actually achieved a growth rate of 4.1 percent. For 1980 we set an objective of 3.5 percent, and we will probably be up over 6 percent. We estimated that exports would amount to \$2.35 billion in 1979, and we

exported \$3.5 billion. For 1980 we recently set a target of \$2.686, and we will certainly top \$4.5 billion. So the projections are just an indication of the direction of our economic policy, and they do serve as a check to see if the positive goal we set forth corresponds to the measures that are taken.

[Question] Fine, but in comparison with some candidates, I don't believe you believe in promised miracles, for instance 'in one year we are going to solve the food program.'

[Answer] In economics, unfortunately, there are no miracles.

[Question] We would now like to know your opinion of the emergency program formulated by the American Revolutionary Popular Alliance (APRA).

[Answer] I have heard of some measures that may be part of a coherent program, but when studied separately they do not give me enough to make an overall comment on.

[Question] The politicians claim that the Intensive Employment Program is demagogic. They want to know why it wasn't done sooner, why it has been given the green light now to take the wind out of the sails of those candidates who propose similar programs.

[Answer] It has been said more than once that people in this country have poor memories. In the economic program presented 29 October 1978, all the measures and actions to be taken were put forth. Among them was that of "stimulating the use of intensive manpower techniques" and "undertaking social employment programs designed to absorb manpower." So what is being criticized as a last-minute innovation was foreseen in the plan.

[Question] However, the fact that the General Budget has had to be augmented by 4 billion soles seems to indicate that it wasn't foreseen.

[Answer] Let me explain. First, it is in the program.

[Question] Then did they forget to include it in the budget?

[Answer] No. This program took 30 months to develop. A program is a sequence of actions. First the house had to be put in order. There was no money for the essential things, much less to invest. But the first manpower utilization program was implemented in 1978. It was a modest project, with a 500 million-sol budget, entitled Assistance Program for the Deprived Population. This program enabled us to mobilize all the international agencies that provide assistance in the form of food. By 1979 we were able to include 5 billion soles in the budget and mobilize a total of 15 billion soles, with foreign aid resources. Thus, following this sequence, now we have added 4.5 billion soles because of the surplus. The budget is not the general account, or a juggling of accounts; it is an economic process

and therefore it is flexible and dynamic. Since there was a surplus, and since the intensive employment program has had good results, we have continued this program, intensifying it and improving its structure. Besides, the 4 billion soles we added do not amount to much in a 900 billion-sol budget.

[Question] But will these jobs cost the treasury money now and forever, or won't they?

[Answer] Look, in other places this type of program is regarded almost as a charity during times of crisis.

[Question] Yes, that's precisely what I was thinking, such as what happened with Allende in Chile.

[Answer] But our experience since 1970, and the study of other programs such as the one in the People's Republic of China, revealed that we should undertake a program with a secondary economic effect, that wasn't just to provide a charity wage. In the first place, the resources are aimed at agriculture, where there is a drought and unemployment; irrigation canals will be built, land will be leveled, supply centers will be constructed. Thus, all the jobs created are productive. On the other hand, it is said that they are just 3-month jobs, but that is not true. These projects will last a year or two.

[Question] When you mention the idea of the 3-month jobs, you are contradicting APRA, because it was Villanueva who said that. On the other hand, it was Bedoya who said that there were 14,000 jobs. As I understand it, there are 300,000 jobs.

[Answer] No, I would like to clarify that. The public investment program of the central government is the highest-level program, in real terms, that has ever been done in Peru. We have invested 300 billion soles in productive programs. The 4 billion soles are chicken feed. When we talk about 300,000 jobs, we are talking about all the public investment made this year. In the public enterprises, the program will represent a total of 300 billion soles in public investment. That is what we mean when we talk about creating more than 300,000 jobs.

[Question] And the fact that APRA as well as Popular Action each mention the possibility of creating a million or more jobs doesn't sound like pre-election demagoguery?

[Answer] I think it does. The idea of creating a million jobs immediately. . .

[Question] APRA mentions a deadline of 1 year.

[Answer] It is not possible under certain conditions. We too could create 1 million jobs today, at the cost of the highest inflation rate ever seen in the history of Latin America. Then we would throw the country into a

deadly economic crisis, and those million jobs would be very short-lived because their effect on the balance of payments would be so serious that our economy would be strangled to death. The result would be not 1 million jobs but 3 million unemployed.

[Question] Now that we are on the subject, APRA has issued a statement declaring that they will refuse to honor the debts that are being contracted during these first months, because they believe this is adding to foreign indebtedness and jeopardising the stability of the future democracy.

[Answer] Look, first of all, I hope that Peru will someday be able to do away with the policy of starting from scratch. A government should be responsible for the things it has done. The incoming government has not only the right but the duty to investigate the work of the previous government. It is not a question of vendettas, but a serious investigation by means of democratic mechanisms. And if something was botched up, if there was immorality, then the law should come down hard on the perpetrators.

People who have public responsibilities are operating with public funds, not private capital, and therefore they have an obligation to behave according to the law, with austerity and prudence. Consequently, it is the democratic organizations (parliament, the judiciary) that are obligated to oversee these activities. I hope that now that the country is putting on its democratic halo we will not return to the old *tabula rasa* policy.

[Question] Mr Minister, your statement is interesting, and I would go so far as to say it is brave. Most speculation about the failure of the transferral of power is based largely on the fear that the military regime would have of being investigated by the civilian government and being exposed for corruption and immorality. You, who can see this from the inside, must have a better impression. Does the military really fear investigations?

[Answer] Absolutely not. Besides, as in everything else, their responsibilities are personal. The people who hold those positions are human beings, and if there has been any immoral, illegal act, it should be vigorously sanctioned. Along these lines, I would even favor including in the Peruvian penal code the ancient Incan concept that the higher up in the hierarchy one is, the more severe the penalty.

[Question] Fine, but in recent years there has been immorality, and we are not used to seeing the judiciary convict anyone. There would be a lack of credibility here. Another thought: Some think that there is a pact between the government and APRA whereby an APRA government would not hold the military accountable.

[Answer] I think an investigation would be the proper way to proceed. Unfortunately, in Peru's history we have seen a pattern of vendettas, as in the thirties. I don't approve of vendettas or of starting from scratch. We have a Judicial Branch, and I think that within the concept of the new democratic government, it will have sufficient authority to investigate.

[Question] Recently, reference has been made to the case of General Tweddle which, along with other corrupt or at least irregular actions, led many organs of the press such as MARCA, this time voicing a widespread opinion, to say that this type of act gives us the impression that "corruption is a form of government in Peru." This is very harsh criticism. How do you react to it?

[Answer] In the first place, the fact that all the magazines have carried the item indicates that there is some freedom in the system.

[Question] This doesn't happen with the dailies.

[Answer] Just today there was a report in one of the dailies of a statement by the minister of aeronautics to the effect that, in the first place, the fact that a retired military officer has committed some alleged crime--the criminal justice authorities have still not defined it--has nothing to do with the armed forces themselves. In the second place, if he is found guilty, after the appropriate investigations and judicial process, the government guarantees that he will be punished like any other citizen. There is nothing to prevent investigation or punishment. Besides, you must be aware the arrest was made by public officials, the first being someone from my department, Customs; and then the case is taken over by the Peruvian Investigative Police (PIP), who are also government officials.

[Question] Tell me, what protective measures have been taken for that customs official, because the drug situation is so horrible that there is talk of his life being in danger.

[Answer] I am sure that police authorities have taken all the security precautions necessary.

[Question] Have you asked for protection for that customs official?

[Answer] In fact, it is normal to have the strictest protection for those who are carrying out their duties in cases like this.

[Question] So the police apparatus, the government authorities, are guaranteeing that the customs official is being duly protected?

[Answer] Totally, totally.

[Question] Following through on the idea of corruption, there are cases in which the investigative agencies that have jurisdiction do not function well because of incompetence or complicity.

[Answer] Look, for example, at the case of smuggling. Smuggling is an ancient crime throughout the world, and it also exists in Peru. Many laws have been passed, and there is still smuggling. We get the impression that the government is doing nothing. This problem also involves a lack of communication, because at this time there are more than 2,000 or 2,500 cases

before the courts in which officials have accused people of smuggling. But often the crime is not reported. I myself have prosecuted immoral officials.

[Question] Concerning the problem of returning the dailies to their owners: It is said that a commission chaired by Eduardo Valdivia is working on the matter in order to get an updated appraisal of the dailies before they are turned over to their owners.

[Answer] The position indicated by the president of the republic is the government's position. I'm sorry to say the former owners did not agree with that position.

[Question] So the situation is in a stalemate until the new government comes into office, because neither the former owners nor the current government will give an inch.

[Answer] The government's stand is that there should be 40 percent for the workers and 60 percent for the former owners.

[Question] There is also a rumor that the formula has a date for the return: between 18 May and 18 June.

[Answer] We have established no date. The government has announced its stand and the dialog is still open.

[Question] What if the former owners agree to the formula today, will the papers be returned tomorrow?

[Answer] I couldn't tell you if it would happen tomorrow, because the president of the republic is directly in charge of this matter and it is under the prime minister. What I can tell you is that the political decision that was made has not been changed nor subject to discussion, so it is still valid.

[Question] Does that mean that until 28 July the government's position will not budge from what the president of the republic announced?

[Answer] Yes.

[Question] Well, on to another subject. You are no longer a Christian Democrat.

[Answer] I am not a member of the Christian Democratic Party, but I identify completely with the social Christian doctrine.

[Question] But there has been a lot of talk about your rapprochement with APRA.

[Answer] You are giving me an opportunity to clear up this issue. My friendship with several APRA leaders, starting with Haya de la Torre, goes back

many years; it is not a recent development. It began when I was minister last time and they were in the opposition. We did not forget that during the 18 months when I was minister the parliamentary majority called me to the Chamber of Deputies nine times.

[Question] But you were a minister under Belaunde, and yet you did not go to the rally for Belaunde.

[Answer] Yes, I did. But I went when I got off work, and by the time I got there the rally was already over. I met some Popular Action leaders who asked me why I didn't come sooner. I told them: "I didn't know this was going to be a matinee."

[Question] Will you go to the rally for Bedoya?

[Answer] I will try to go to all of them.

[Question] For Hugo Blanco too?

[Answer] Of course.

[Question] Would you accept a cabinet post under the democracy?

[Answer] In theory, yes. . .

[Question] If they ask you. . .

[Answer] No, that's another issue.

[Question] Why? You are young, and have some valuable experience. That kind of attitude, which is similar to that of the mayor of Lima, means a lack of faith in democracy. Perhaps you think being part of a dictatorship is the ne plus ultra of government service?

[Answer] Ha, ha, ha. . . No. Let me explain. I will not in any way refuse to cooperate with a democratic regime as long as it agrees with my ideological principles. I am not categorically rejecting a cabinet post beforehand, but then no one has offered it to me--and I hope they don't offer it. But I think that the new government, whatever party wins, should have the utmost freedom, for ethical and fundamental reasons. The first thing that must be done is the very task of investigation and evaluation of what has been done. I could not investigate myself.

[Question] With respect to the price hikes that are always of great interest: Will food prices go up between now and 28 July?

[Answer] No.

[Question] There will be no increase in food prices until 28 July?

[Answer] I don't know if there won't be any until 28 July, because that depends on the management of the economy. But for now we do not envision any increase.

[Question] In your economic policy for this first half of 1980 you have also foreseen a raise in wages and salaries. . .

[Answer] Yes, that is envisioned.

[Question] Some say it will be in April, others in May.

[Answer] We don't have the exact date yet, but it will be soon.

[Question] Will it be about the same amount as in January?

[Answer] That is what we are looking into.

[Question] But is the government in a position to allow a wage hike as big as the one in January?

[Answer] It is allowed for in the budget. Moreover, we have also allowed for raises in the second half of the year. Contrary to what the politicians claim, we are not spending all the money. We have made provisions.

[Question] So there will be two raises before you go?

[Answer] I don't know if there will be one or two, since we will be leaving so soon, but we will leave enough resources for the next government to operate comfortably and adjust wages.

[Question] There will be no boosting of food prices to accompany the wage hike, right?

[Answer] Right.

[Question] One last question: You have spoken words of encouragement for those of us who want the transfer of power to take place. You have said that you are working hard to leave an economically stable democracy, and that you would support a policy of holding the old government accountable. . .

[Answer] Not only would I support it, I am going to demand it of the new government, as a citizen.

[Question] Good, that sums up your stand, but my last question is this: If for some reason the transfer doesn't work, a coup, a third phase, a postponement, would you resign as minister of economics and finance?

[Answer] Look, I don't even acknowledge that possibility.

[Question] You are completely sure there will be a transfer.

[Answer] Certainly, that's what we're all working for. I wouldn't be here if it weren't for that purpose.

[Question] Thank you very much.

[11 Apr 80 pp 68-70]

[Text] Three new laws (anti-trust, banking, and promotion of free industrial zones), the commitment to begin work on the colossal Olmos and Chao-Viru projects, the multi-million-dollar loans taken out early this year, the highly touted Intensive Employment Program, and other "minor" tasks are manifestations of a rare, euphoric desire to renovate, create and accomplish. D-day is 28 July 1980, when power will be transferred. On that day the reins of government will be handed over by the formerly lethargic--now frantically active--executive to the silver-tongued candidate. This is the second part of the interview granted us on 21 March by Minister of Economics and Finance Javier Silva Ruesta.

[Question] Mr Minister, one magazine reports that the government has bought 16 Sukhoi 22 aircraft, and another says they were 20 Mig fighters. Which of these reports is true?

[Answer] Neither. If there had been a new purchase, I would be the first to know. Any military equipment that may be arriving now is part of earlier purchases, as in the case of the missiles, the frigates that just arrived, and some patrol launches that we had built in France and will be arriving soon.

[Question] But Chile has bought 50 Mirage jets. . .

[Answer] That is true.

[Question] . . .so the alleged new purchases by Peru were regarded as a reasonable precaution.

[Answer] It is true that we must maintain a balance, the nation cannot remain defenseless in view of potentially unfortunate situations. But the government's policy is to set up an international system to regulate arms purchases, although to date we have been unable to reach an agreement. Nevertheless, the government is following a policy of absolute austerity in terms of military purchases.

[Question] The fact that this is the one-hundredth anniversary of the War of the Pacific has not inflated the national defense budget?

[Answer] No. In fact, it has shrunken in real terms.

[Question] Politicians such as Malpica claim that 25 percent of the National Budget is earmarked for defense.

[Answer] That estimate is completely off.

[Question] On the other hand, Dr Silva Ruesta, a 12 billion-sol subsidy has just been granted to the sugar industry, and the minister of agriculture says that rice, oil, milk and bread are being subsidized. You pointed out once that the subsidy policy is inflationary, and you made your case so strongly that the subsidies were cut drastically. As a result, the people were under-nourished. Now we have returned to that policy. Are subsidies no longer inflationary?

[Answer] The subsidy as a widely used tool, on the level it has been used in this country, is absolutely wrong. In this country the electric rates, water, fuel, all were subsidized to such an extent that the huge, indiscriminate payments benefited even those who were able to pay. We have changed that policy's orientation: we eliminated the subsidies that exceeded rational levels, and we geared them especially to those who truly need them. An example of this is the school milk program, which did need subsidizing.

[Question] But aren't there more subsidies in 1980 than in 1979?

[Answer] Nominally, yes, but in real terms no. Because of inflation, it looks like there is more money than there was in 1979.

[Question] According to official data, in January there was an inflation rate of 4.2 percent, and in February it was 3.94 percent. But the official figures do not seem reliable. The magazine PERU ECONOMICO says, for example, that in February inflation was actually 5 percent. In addition, we have the problem of the drought, the new foreign loans, the wage raise without a price adjustment--which means increased subsidies. Given these factors, and given our experience of the first months of the year, do you still believe that inflation will be only 40 percent this year?

[Answer] I already said that projections are targets that we try to manage; they are not absolutely immovable predictions. To date, however, there is no major problem. We are moving steadily toward a reduction in inflation to 40 percent, and we hope to be able to lower it a little more.

Manageable Debt?

[Question] Let's talk about our foreign debt, then. You have just contracted loans totalling more than \$1 billion. The Olmos and Chao-Viru projects have just been given the go-ahead, meaning new loans for about \$850 million. Aren't you exceeding our questionable indebtedness capacity?

[Answer] No. First of all, the debt has gotten smaller. On 31 December 1978 we had a total net foreign debt of \$8.72 billion. By 31 December 1979 the debt had fallen to \$7.987 billion. In the second place, for a country whose exports this year amounted to \$4.5 billion to have a foreign debt totalling \$7.983 billion, much of which is spread out over 20-year terms,

is nothing. But the most important consideration is that we have changed the external debt structure, which was pressuring us severely in 1978 in the short term. Now that it is a more long-term debt, the yearly payments are lower and lower.

[Question] But 30 percent of our income is committed to the payment of that debt in 1980.

[Answer] The payment of the 1979 debt, before the refinancing, committed 57 percent of our export earnings. We would have had to commit 48.4 percent in 1980 and 32.2 percent in 1981. Now we think it will be less than the 30 percent projected for 1980 after the refinancing. It will be even less in 1981.

[Question] Much of our current payment capacity is due to a fortuitous cyclical factor, the high prices we are receiving for our raw materials. But now copper, silver and gold prices are dropping; now we are importing sugar instead of exporting it. Isn't it audacious to talk of a bonanza and to make plans based on chance?

[Answer] We do not take the highest figures for our economic calculations. To figure out the trade balance for this year, for example with copper, we assumed a price of 75 cents a pound. Copper was going for \$1.40, so we are at about half that figure. Today copper is still quoted at more than a dollar, so we have a very high margin of error. The same thing has been done with other products.

[Question] Concerning another of our export products, oil, a non-renewable resource which is not very abundant here, we are exporting it now because our industry does not consume as much as it should. But if we are in good economic shape, why not stop exporting oil and keep it for the future when it will be more scarce, expensive and necessary?

[Answer] We are only exporting 70,000 barrels a day. We could export much more. But in addition to preventing irrational consumption and progressively higher prices, we are doing something more important: we are substituting petroleum-based energy with hydroelectric energy. While the average period of time necessary to build a hydroelectric plant in this country was 40 years, now we can build three plants in two years. Because that is the cheap energy we possess. At this time Peru has consumed only 2 percent of its potential hydroelectric energy. We plan to increase consumption of this form of energy by 10 percent a year.

[Question] Mr Minister, your economic policy has particularly favored exports. You have neglected agriculture, which means food. For this year, for example, it has been announced that agriculture will have a zero growth rate, and I would estimate it at below zero. Why aren't you worried about the rural areas?

[Answer] Growth will certainly be below zero, because of the drought. But the volume of public investment is high in the agricultural sector.

[Question] However, the drought is not a recent phenomenon. It began with a vengeance 3 years ago, and officials are only now starting to worry about it.

[Answer] It is a historical phenomenon in Peru, and for that very reason we are developing the irrigation programs.

[Question] There is another symptom of neglect of the rural sector. The "Sugar-Jungle" project, designed to expand sugar cultivation (which has been stationary for at least 20 years) into the Amazon, has been shelved as I understand it.

[Answer] The project is being activated.

[Question] The project is 5 years old, and it has just recently been activated.

[Answer] Because of the crisis, there were times when there wasn't even enough to eat for breakfast. Now that there is money, the project is being implemented.

[Question] Haven't you thought about stopping the minidevaluations of the sol, which I believe contribute substantially to inflation?

[Answer] The minidevaluations have been less and less frequent. Look, I have here a chart indicating the inflation pattern in 1979. The devaluation of the currency has not had a major impact. On the other hand, the oligopolistic nature of the market has been more influential. For example, 60 percent of Peruvian industrial production comes from 73 companies; 44.6 percent of food production and by-products come from five companies. . .

[Question] So the rural oligarchy has turned to industry?

[Answer] We have an oligopolistic concentration. Beer and beverages: three companies produce 53 percent; textiles: five companies produce 38 percent; clothing: five companies produce 35 percent; shoes: two companies produce 76 percent of nationally-made shoes. And paper, which is a state-run enterprise, is also oligopolistic: two enterprises produce 62 percent of the paper. So one inflationary factor is oligopolistic speculation.

[Question] Are you preparing an anti-trust law?

[Answer] Yes. We are doing a preliminary study of the structure of production and the market. I have just cited some of the results of that study. There is a very high concentration of wealth and control of the market.

[Question] What exactly is the purpose of that law?

[Answer] To take steps to prevent monopolies and oligopolies in the future, and to take measures to prevent the existing ones from exerting pressure and speculating to distort the market.

[Question] Do you believe that in a country with traditional oligarchies and monopolies this law will work?

[Answer] I think so. It depends on how we structure it. . .

[Question] It depends on the civilian government.

[Answer] No. . .

[Question] Because you will leave them the tool and they will use it.

[Answer] Obviously. You have to know how to use any tool.

[Question] Wouldn't it have been better for the civilians themselves to deal with an overall solution to the problem of the oligarchies?

[Answer] They are going to have to solve it, but at least we will leave them the tool. If they don't like it they can change it, correct it or repeal it.

[Question] Will this law come out before 28 July?

[Answer] I think so, we are working on that.

Banking Law

[Question] We know there will also be a Banking Law.

[Answer] We are working on it. The current Banking Law dates back to 1933, and it was drawn up by a mission that modeled Latin American banking systems after the United States Federal Reserve. That law has been amended, but since the last government it has been recognized that it has a lot of flaws. That was why there was a moratorium on new banks until the new banking law could be written. Since it has not been finished, we are examining the new law as a function of modern finance. For example, commercial banking in Peru can only operate on the short term; that criterion was established as a result of economic studies carried out in the United States in 1916. Today the world's commercial banks operate in the short, medium and long terms. This is a problem of obsolescence that we are going to overcome.

[Question] Will the Banking Law come out before 28 July?

[Answer] We hope so.

[Question] Why don't you leave that task for the new government?

[Answer] We started it. . .

[Question] It appears that you don't want to leave anything for the incoming government to do.

[Answer] In answer to that concern expressed by several political parties, I would respond with a phrase coined by Basadre: "Lucky youth, with everything still to be done." When they take over the government, the political parties will have a monumental task before them.

[Question] Are you also drawing up a law to promote free industrial zones?

[Answer] Yes, we have been working on it for some time.

[Question] Will it also be done before 28 July?

[Answer] It should be done before then.

[Question] Aren't you working too fast, considering that these are your last days in this government?

[Answer] No. We have been working at that same pace since we started.

[Question] But it is more evident these days. Is this part of the good image the military government hopes to leave behind?

[Answer] Don't you believe it. In the last months of 1978 I used to leave here at 0300 hours. Now I can leave by 2300 or 2400 hours.

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TESTIMONY IMPLICATES INTERIOR MINISTER IN CORRUPTION

Lima EQUIS X in Spanish 9-15 Apr 80 pp 6-7

[Testimony of Gen Carlos Acosta Bustamante, signed by ad hoc Judge Elizabeth Saldarriaga; introduction by Julio Cabrera Moreno]

[Text] EQUIS X hereby complies with its duty of making a journalistic report that will be historic. We are publishing the complete text of testimony which PIP [Peruvian Investigative Police] Gen Carlos Acosta Bustamante, former director of the Fiscal Police of Peru, gave before the ad hoc judge in the so-called "Passano Case," Dr Elizabeth Saldarriaga Esquivel, on 24 March 1980 in Callao.

The testimony shows that the minister of interior, Brig Gen Fernando Velit Sabattini (EP [Peruvian Army]), and the vice minister of interior, Brig Gen Jorge Lassus Arevalo (EP), are deeply involved in this smuggling case. The degree of guilt of each individual will be established by the regular courts. However, it cannot be denied that both are guilty of sins of action and omission and to such a point that the affair should no longer be called the Passano Case, but rather, the Velit or Velit-Lassus Case.

For this reason, in revealing evidence that the minister of interior himself and his vice minister are involved in the Passano Case smuggling, EQUIS X demands, first of all, that both of these high officials resign from their respective posts. Otherwise, not only would they be providing a public example of impunity and immorality, but in addition, they would be running the risk of obstructing the action of justice, which has already occurred with Gen Orlando Passano Nieto (Civil Guard), to date the principal accused in this famed case. Passano Nieto remained for a time in his post as director of Penal Establishments and even now, his brother, Gen Humberto Passano Nieto (Civil Guard), occupies his lofty position as supreme commander of the Civil Guard.

Finally, EQUIS X calls on all political parties, other independent organs of the press, the Catholic Church and all institutions and responsible persons in the country to take a stand on this scandal and not allow it to be

quietly buried with the complicity of the silence of those of us whose sacred obligation it is to speak.

Testimony of (permanently inactive) PIP Gen Carlos Acosta Bustamante

In Callao, at 1115 hours on 24 March 1980, Gen Carlos Acosta Bustamante appeared before the court. He is 52 years of age, a native of Arequipa, married and lists his profession as general in the Peruvian Investigative Police (permanently inactive). He resides at 645 Calle Dupres, San Borja. Bearing Identification Card 600, he is Peruvian, Catholic and Spanish-speaking. He was sworn in by the judge, and his testimony follows.

When the witness was asked to describe his degree of friendship of enmity with the accused Walter Alejandro Yager Ubillus, Orlando Marcello Passano Nieto, Victor Manuel Cordova Castillo, Larry Guillermo Carnero Sumar, Jose Carnero Sumar, PIP Maj Edgar Cordova Ortecho and Lt Col Carlos Tezanos Pinto Hildebrandth, he replied as follows: "I met Mr Yager Ubillus in the office of the minister of interior on April 5, 1979, the date commemorating the 100th anniversary of the declaration of war on Chile, at a social gathering in the ministry office. I was introduced to him by General Lassus, vice minister of interior, and am neither his friend nor enemy. I have known General Passano since Police School. We were cadets together and graduated the same year, on 1 January 1951, members of the Generalissimo Don Jose de San Martin Class. In the service, we maintained cordial relations, but have never worked together. I do not know the accused Cordova Castillo. I met Larry Carnero Sumar early in July of 1979, when he came to my office to show me some documents that had been sent to him from Miami. He asked for my advice and I told him that the merchandise should be reshipped by the Rovaya Company or the company that transported the goods. He is neither my friend nor my enemy. I do not know Jose Carnero Sumar. With respect to the last two, they served under me and I have a good opinion of them."

When asked to describe his relations with EP Gen Jorge Lassus Arevalo, he replied as follows: "I know the person in question because he is the vice minister, since as director of the Fiscal Police, I was directly under the minister and when I had occasion to report to him because of work, we talked together, just as we did when there were official ceremonies at the ministry, which were attended by all generals of the police institutions, the Civil Guard and the PIP. He is neither my friend nor enemy."

When asked whether General Lassus had gone to his office in the month of June last year to ask him to grant privileges for entry into the country, through the Jorge Chavez International Airport, of packages containing communications equipment for the Penal Establishments, he replied that "General Lassus did not go to my office and asked me for no such privilege. I should point out that at the beginning of June, the minister of interior, Gen Fernando Velit told me that in the Directorate of Penal Establishment -- at Lurigancho, specifically -- there were problems with communications during visits and that General Passano was going to import communications

equipment on behalf of the Directorate of Penal Establishments. He said that the Fiscal Police should make it possible to speed up the shipment and prevent theft. I told him that if the office adhered strictly to the law, a recommendation would be made to Customs officials so that the procedure would be legal and fast."

When the witness was asked whether he had told PIP Lieutenant Colonel Texano this so that proper precautions could be taken, he replied: "Because of the minister's request, I called Colonel Texano and Major Cordova and told them of the import that the Directorate of Penal Establishments was going to make and I specified the following: that there would be about 20 large and small speakers, plus the amplifier, microphones and the public address system, weighing 300 to 400 kilograms, including the packing, and that if it were bigger, they would have to see that Customs would abide by the law and to take great care in the shipment of the goods."

When asked whether his immediate subordinate, Texano, had gone to his office and given him written notification, as per the note presented in evidence, that it had been discovered that the packages being sent to the Penal Establishments did not only contain the communications system, but in addition, goods whose importation was prohibited and restricted, such as color television sets, and so on, he replied: "It is true that at 1830 hours on 27 June 1979, Lt Col Carlos Texano Pinto delivered to me, in the office of the Fiscal Police Directorate, the note shown to me, the same note that was accompanied by Air Guide 17-9-20, and early on the following day, I turned over the original to the minister of interior, who read it and told me to go to Customs and work with the Customs administrator in order to take care of any scandal that might arise if the matter should become public, inasmuch as the Directorate of Penal Establishments is an organization under the minister of interior. Together with Colonel Ayala, deputy director of the Fiscal Police, we went to the airport and informed Herrs Pareja, Customs administrator, of the minister's request, asking that if possible, the merchandise would be taken to the Ministry of Interior in the custody of Customs and with escorts, so that proper reception of the goods could be made. Herrs said that it was a 'BAP Callao Aero,' that he would never give his consent, even if they sent him to Germany on a scholarship or demoted him; the merchandise would never leave Customs because it was contraband. Furthermore, he said that he had already reported the same to his immediate superior, the general director of Customs, and it was his understanding that that official had in turn informed the Ministry of Economy and that it was at that higher level that the problem would be solved. In view of this reply, I ordered Major Texano to draw up a report showing the legal status of the merchandise, which he did. Report 0-7-DIETA-PP of 30 July 1979 was drafted and the original was personally delivered by me to the minister of interior at 0845 hours on 2 July 1979. That official told me that it was satisfactory and that I should await his instructions on the matter."

(At this point, the witness showed the court nine photographs taken at the time of the inventory by the witness, who had kept one copy and given another to Customs Administrator Herrs Pareja, which the court deemed correct

to file as evidence and therefore asked the witness to obtain photocopies of the same, which he agreed to do.)

The witness was then asked whether it was true that General Lassus told him verbally that it was only because of his refusal, as director of the Fiscal Police, that the merchandise addressed to Penal Establishments was not shipped. In spite of this fact, the witness refused the shipment and gave the following testimony, as shown in the records: "I must state that General Lassus never told me such a thing directly, but through reliable sources, I learned that General Lassus blamed the Fiscal Police for being the cause of the discovery of the fact and furthermore, singled out Major Cordova as the person who had the packages opened, which I do not know to be true, and around the month of October, he ordered the supreme commander of the PIP to transfer Major Cordova out of Lima. It was because of my request that Major Cordova was transferred to the Directorate of Higher Studies of the PIP, where he stayed for about a month. Later, I asked the minister to have him returned to the Fiscal Police, which he did, because I believed it was an abuse of authority. On one occasion, General Lassus told me that there were rumors that the Fiscal Police accused General Orlando Marcelo Passano Nieto, General Veliz and General Lassus as being the owners of the contraband, and he asked my opinion, to which I replied: 'Because of a lack of time, we were unable to complete the entire investigation, inasmuch as the judge asked us to give priority to everything that had happened up to 20 July. I refuse to have you believe that information because if the minister ever doubts that I am proceeding properly, when in my investigation I have been fair and impartial, then I shall resign as director of the Fiscal Police and ask to be demoted because I am used to standing tall and not being on my knees, nor do I make charges when I do not have all the necessary proof.'"

The witness was then asked if it was true and if he knew as a fact that the firm Miguel Munoz or Munoz Importers does not exist in Chile and whether he had learned that no such firm existed from a cable sent from Interpol in Chile to Interpol in Lima, and he replied: "When initiating the investigation ordered by superiors, one of the procedures of the Fiscal Police is to ask Interpol in Lima to establish pertinent contacts with its affiliates in countries that can give us information on the case being investigated. Based on this request, I received from Interpol two notes: one dated 30 July, No 13-68, which reads as follows: 'With reference to Munoz Imports the Miguel Munoz Import Company Pudahuel Airport TOP Investigations made of Customs registry at Pudahuel Airport show that imports are recorded by date not by name of importer STOP Our documents do not show any such patronym under the identity given in auditors organizations STOP Suspicion of falsification of name of import firm STOP We will notify you of any new information relating to this matter STOP' This information is in the record on page 347. On 17 September 1979, Note 16-23 was received, as shown on page 967 of the investigation record. In it, Rudecindo de Miguel Munoz Vasquez, father of Miguel Munoz, states that in Santiago de Chile, the Miguel Munoz Import Firm has never existed and that his son is in the United States working as a clerk for some firm. I would like to

note that my relations in the ministry were cordial until the receipt of Notes 13, 6 and 8 of 30 July, and after they were submitted to the court, those relations changed totally."

The witness was then asked whether it was true that testimony put together by Fiscal Police personnel was reviewed by any authority from the Ministry of Interior before being turned over to the Judicial Branch and which officials intervened, if they made any observation, or asked the witness make any changes. He replied: "I must state that once the document from the Fiscal Police had been formulated, I went to the office of the minister of interior at 1500 hours on about 22 June and for an hour and a half, told the minister in detail how the investigative process had been carried out, the evidence found and the conclusions. The minister acted impartially and asked me minor questions. After we had finished, he told me to go to the waiting room and that he would call me, which he did 10 minutes later, when the supreme commander of the Civil Guard, Lt Gen Humberto Passano, Dr Xavier Barron, who was then a constituent, and General Lassus were present. The minister again asked me to present the case to these men. My speech lasted about an hour and 20 minutes. They asked me questions and made vague suggestions, which were not accepted, especially General Humberto Passano, Xavier Barron, and I think one by Lassus. The document was sent the following day to the judge."

(At this point, the court asked the witness to obtain photostatic copies of the document in question and that was filed in evidence, to wit, Note 229-79 IN/SG, dated 17 July 1979, sent by the minister of interior, Brig Gen Fernando Valit Sabattini, to the director of the Fiscal Police, with Note 0-91-79-EF/11-0 of 16 July 1979, sent by Minister of Economy and Finance Javier Silva Ruete to the minister of interior and the attached, which the court ordered appended to the record of the investigation.)

The witness was then asked whether it was true whether, for the purpose of circumventing justice, there was an attempt to make it appear that there had been an error in the shipment and that consequently, the merchandise was addressed to Chile and not Peru, and he responded: "My responsibility in the investigative process has been described in the conclusions of the document sent to the court. All documents later received from Interpol rejecting the alibis of those involved have also been turned over to the court and it is up to the Judicial Branch to specify the crime and punish the guilty."

The witness was then asked to provide any other details, aside from those already mentioned, relating to the investigation if, in his opinion, it would help clarify events. He replied: "The fact that I was fair, honest and responsible in doing my job with respect to this case has caused me much grief. All of these incidents are known to the president of the republic, with whom I spoke for an hour and a half at 1800 hours on 4 February of this year."

When asked what he had to say about the article entitled "Burying the Passano Case," which appeared in EQUIS X, he replied: "Everything that article has to say about my actions is false. I have sent a letter to Julio Cabrera Moreno, which was published in that periodical (No 181, p 4, Col 3) and a legalized copy of which was presented to the court, which ordered that copies be obtained."

I hereby certify that this is a record of the proceedings. When asked to tell whether it was true that he was aware that the same day the discovery was made of the color television sets and other merchandise for Penal Establishments, there allegedly was a public auction of the communications equipment and that the bid went to the Rovaya firm, as shown by the investigation completed by the Fiscal Police, he replied: "Upon reading the second conclusion of testimony given by the Fiscal Police and filed in evidence on page 59, this is the result of the investigation made by Fiscal Police Inspector Captain Gallardo." I hereby certify that this is a true record of the proceedings. (Signed) Elizabeth Saldarriaga, Ad Hoc Judge

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VELIT SABATTINI INTERVIEWED ON ALLEGATIONS OF CORRUPTION

Lima EL COMERCIO in Spanish 20 Apr 80 p 6

[Interview with Gen Fernando Velit Sabattini, minister of interior, 19 April 1980; place not given]

[Text] Gen Fernando Velit Sabattini, minister of interior, has vigorously denied published stories implicating his involvement in a smuggling case.

The following is the text of an interesting exclusive interview which the minister granted our newspaper on 19 April 1980.

[Question] Mr Minister, certain publications have attempted to make a direct connection between you and a case of contraband concerning merchandise shipped to the Directorate of Penal Establishments, a case now being investigated by the courts. Specifically, it is stated that you tried, first of all, to halt the investigations and that when you were unsuccessful, you then tried to channel them in a certain direction. You are also blamed for reprisals against members of the Investigative Police who participated in the investigation of that contraband.

Because of the high post you hold, public opinion would like to have your side of the story.

[Answer] First of all, I would like to thank EL COMERCIO for its interest in providing public opinion with more information on this matter.

Next, I would like to reiterate my most vigorous denial of the stories published and establish the fact that my statements concerning those stories should not be viewed as an explanation or clarification of slanderous versions motivated by perverse political intentions whose authors are very well known because of what they are now doing and what they have done in their personal and political careers. I shall pursue the task of clarification in the proper legal channels, and I shall take immediate legal action against those trying to besmirch my honor.

It is out of respect for public opinion, the government of which I am a member, the institution to which I have devoted my life and the responsible press of my country that I believe it is necessary to make certain statements about a matter being investigated by the Judicial Branch and with which I have had no connection other than those stemming from my position as minister of interior.

In response to the observations you have made, I believe it is necessary to review the events chronologically.

The packages shipped to the Directorate of Penal Establishments and that constitute the contraband, according to Customs authorities, arrived at the International Airport on 25 June of last year.

As soon as I learned of the situation, I ordered the Fiscal Police to make a broad and exhaustive investigation. I even remember that I used the term "no matter what heads roll." I repeated this order on 2 June when I received the report from the Fiscal Police.

As minister of interior, it is not my specific task to head up investigations of every case of contraband discovered by Customs, which is under the Ministry of Economy, or by the Fiscal Police, which department is under my ministry. By way of reference, I would tell you that in 1979 alone, the Fiscal Police investigated 79 cases of smuggling. In this case, I took special interest because the General Directorate of Penal Establishments was involved and it is also under my ministry.

It has been said that I tried to halt the investigations. That is false. After receiving notification on 2 July, I called to my office the director of Penal Establishments, Civil Guard Gen Marcelo Passano, whom I asked to explain. Between 2 and 4 July, the Fiscal Police and Customs completed the inventory of the merchandise seized. On 9 July, the Fiscal Police asked Interpol in Chile and Miami for information on the Munoz -m with whose merchandise there reportedly arose a mixup, according to the story of the shippers. I understand that apart from these steps, the Fiscal Police, which has autonomy in its work, completed others as part of the investigative process.

On 16 July, I received a memo from the Ministry of Economy and Finance, which has authority over Customs, officially notifying me of the case. I immediately notified the Fiscal Police, repeating my order that the matter be thoroughly investigated.

In the following day, 17 July, the case went to the Judicial Branch and logically enough, in accordance with the law, from that time on, my office was totally removed from the problem.

Chronologically speaking then, the Ministry of Interior's connection with this matter was limited to the period between 27 June, when the Fiscal Police first learned of it, and 17 July, when it went to the Judicial Branch, scarcely 20 days.

These facts prove that at no time was there any halt in the investigation.

With respect to the story that in a meeting with the director of the Fiscal Police on 22 June, I tried to channel investigations in a certain direction and that on that occasion, I made certain insinuations to the director of the Fiscal Police, that is one more lie and a complete absurdity.

It is a lie because such a meeting never took place.

It is absurd because if the case went to the Judicial Branch on 17 July, then how could the Ministry of Interior channel the Fiscal Police, when the investigation was no longer under its jurisdiction?

With respect to the insinuations [most of paragraph illegible] recently by that institution eliminates the need for any further comment. As minister of interior, I am and have always been respectful of institutional decisions of the police forces. Among these was the permanent suspension of the former director of the Fiscal Police, which came about in December of last year, 6 months after the case of which we are speaking began.

[Question] It has been said that you told the Fiscal Police to grant privileges so that the packages addressed to the General Directorate of Penal Establishments could enter the country.

[Answer] That is another lie. I only learned of the existence of those packages when I was informed about possible irregularities in their arrival at airport Customs. From that time on, I ordered the Fiscal Police to do their duty.

[Question] Mr Minister, you were certainly aware of the large purchase of communications equipment made by the Directorate of Penal Establishments?

[Answer] With respect to the size of the purchase, I would like to make a clarification. The purchase did not amount to 2 million soles, and even so, some persons have speculated that it was worth many millions. Given the size of the purchase, under 2 million soles, my office had no reason to be informed. According to the law, purchases of that amount can be made, and are made, through competitive bidding overseen by the purchasing committee of the purchasing entity.

[Question] When the irregularity was detected, what explanation did the director of Penal Establishments make?

[Answer] As I already stated, as soon as I received the report from the Fiscal Police, I called the director of Penal Establishments to my office. He told me that there had been a shipping error and that packages destined for Chile had been sent to the Directorate of Penal Establishments of Peru. He offered to show me documents backing his statement.

in addition to this information from Gen Marcelo Passano, Customs and the Fiscal Police continued to comply with their respective duties, both with the greatest speed and natural discretion, precisely in order to avoid any kind of interference.

[Question] Once the smuggling was discovered, why did you not take immediate measures against the director of Penal Establishments, including his removal?

[Answer] In the investigations completed by Customs and the Fiscal Police in the month of July, it was never established that General Passano was responsible. When the Judicial Branch began its investigation, General Passano was not considered either. Consequently, I could not get ahead of the courts and remove a person from his post when there was no specific accusation against him by any pertinent authority.

Only on 23 July did the courts include the then director of Penal Establishments in their investigation, ordering his provisional detention, which became final on 13 August. He was then removed from his post and turned over to his institution.

It should be pointed out that according to Supreme Decree 058 of 16 September 1968, when Civil Guard personnel on active duty is involved in any penal proceedings in the common jurisdiction, an individual can only be removed when a conviction is actually handed down against him.

[Question] What is the relationship of your office with the Fiscal Police and specifically, in cases of smuggling?

[Answer] Your question enables me to show how the work of the ministerial office is performed with respect to functions belonging to each of the normative-executive organs making up the ministry.

As the overseeing organ the ministerial office exercises functions of direction and supervision of all organs in the sector and in addition, establishes general policies in keeping with the plans of the government. In accordance with this, the ministerial office has no reason to spell out every action of the respective organs in the sector. Rather, those actions must be within established policies, norms, laws and regulations outlining their respective jurisdiction and competency.

This is true of all directorates, including the Fiscal Police, one of the numerous organs of the Investigative Police.

The director of every organ is obliged to adhere strictly to the law and his powers, without any need to consult the minister, who in turn has his own responsibilities, powers and laws to comply with.

This means, on the one hand, that the minister cannot directly intervene in every case demanding the daily action of the different organs in the

sector. At most, he is aware of many of them. Second, if he should try to do so, violating the law, the official obeying him would be responsible, in addition to which he would be revealing his lack of honesty.

[Question] Is it not true, Mr Minister, that you instructed the Fiscal Police to go to Customs in order, in the case of smuggling to which we are referring, to arrange some kind of settlement avoiding scandal?

[Answer] One more, I have to repeat that my instructions were very clear: to make an exhaustive investigation, even if heads had to roll. If I had tried, as it is claimed, to make some kind of arrangements to avoid a scandal, I would never have gone to persons who had no decision-making capacity, either in my sector or in the sector of Economy and Finance. Something more, no arrangement could have impeded the action of the Judicial Branch, since the matter was known to the public through the press.

Finally, the scandal would have been even bigger if my office had truly tried to arrange something when the investigation necessarily involved Customs, the Fiscal Police, the Judicial Branch and even police force organizations.

[Question] It is also said that there are other personal motivations and ties with the authors of the contraband. What would you say about this?

[Answer] Many things are being said about this and other matters of general interest. Taking undue advantage of the unrestricted freedom of the press that exists in our country, they make accusations while hiding behind such conditional phrases as "there are reportedly," "one could," and so on. In other cases, they used impersonal terminology, such as "it is said," "reliable sources state," "well-informed circles say," and so forth. In all these cases, the accusations besmirch the honor of persons and damage the respectability of men and their families. There are many ways of making irresponsible accusations, with evil intentions but without proof. The case in question is not an exception, as far as I am concerned. We could say a great deal about this matter, but I believe the opportunity will present itself in the arena stipulated by law: the Judicial Branch. There I will tell everything I have to. When one has truth on one's side, one has nothing to fear. And the truth will finally win out over all fabrications, all slander, all lies and all the schemes of those wanting to do harm, those directly responsible as well as those who move about in the shadows.

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MINISTER REPORTS 'PROGRESS' AT MOSCOW PRESS CONFERENCE

Lima EL COMERCIO in Spanish 26 Apr 80 p 6

[Text] Moscow, 25 April (ANP)--A Peruvian delegation headed by Economy and Finance Minister Javier Silva Ruete has been visiting the Soviet Union. The delegation has held important talks, culminating in the signing of a joint statement calling for the expansion and development of economic and technical cooperation between the Soviet Union and Peru. At the close of the talks Mr Silva Ruete held a press conference for Soviet and foreign journalists.

Referring to the objectives of its visit, the minister pointed out that the Peruvian delegation was in the USSR to clarify specific aspects of Soviet participation in the construction of the "Olmos" hydropower complex.

"These days of work have been extremely profitable," Javier Silva Ruete said. "I have had a series of meetings with high-level leaders of the Soviet Government, and we have reached a very important agreement under which the Soviet Union is going to take part in building and financing this hydropower development project in northern Peru. This project has great significance for agricultural development and energy output in the country's northern areas.

"This project will accomplish two goals: an 82,000 hectare expansion of our agriculture frontiers, through the largest irrigation project ever in the country, and 600,000 more kilowatts of electric power, which will enable us to provide the power that is needed to industrialize the northern part of Peru. This is the first major development project in Peru in which the Soviet Union is going to take part, even though we have had very close cooperation in other fields for 10 years now. We feel that its role in this important project marks a new era in our relations, which are at a very high level.

"I would say that relations between the two countries are excellent in all fields and that the two governments, in fact, intend to enhance them in the immediate future."

"Also, on this occasion I have met with Mr Arkhipov, the deputy chairman of the Council of Ministers, and we spoke at length about other aspects of economic cooperation, for example, mining development, petroleum development and pursuing the country's transportation policy. The Peruvian-Soviet Commission is supposed to meet in Lima in a few months to detail a series of projects and areas of cooperation, and we can thus see that our bilateral relations are moving towards increased foreign trade.

"I am leaving sincerely satisfied, because all of the points that we had brought to discuss over these 3 working days have been satisfactorily resolved for our country's interests."

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ECONOMY MINISTER REVEALS EXTENT OF USSR CREDITS

Lima EL COMERCIO in Spanish 30 Apr 80 p 16

[Press conference given by Economy and Finance Minister Javier Silva Ruete, 28 April 1980, at Jorge Chavez International Airport]

[Text] Satisfied with the results achieved during his working visit to Moscow and Washington, Economy and Finance Minister Dr Javier Silva Ruete returned yesterday to Peru.

A few minutes after deplaning, he held a wide-ranging dialog with newsmen.

The following is Silva Ruete's talk with reporters at Jorge Chavez International Airport:

Newman: Welcome back, Mr Minister. We would like to find out more about the news that has been cabled in regarding the Olmos agreement reached in Moscow.

Minister: Yes. As I told you upon leaving, the trip had several objectives, in fact. But obviously the basic one was negotiating the construction and financing of the Olmos Project, which as you know, is more than 50 years old. This administration initiated the final studies with the collaboration of the Soviet Government. These studies were completed last year, and from that point on we began efforts to secure comprehensive financing.

I am very pleased to be able to tell you now that in the wake of the talks that I held with the highest-level Soviet authorities, we have signed an agreement whereby the Government of the USSR pledges to take part in the construction, technical management and comprehensive financing of the Olmos Project.

The Soviet Union is making an initial commitment of around \$300 million to finance the project. This includes funds for the

acquisition of equipment for the irrigation project, for the installation of the hydroelectric powerplants and also for the pooling of an international financing operation that will be headed up by the Foreign Trade Bank of the Soviet Union. This operation will finance a major part of the project's local costs, in other words expenditures inside the country.

The goal is that domestic Peruvian enterprises will implement the project with Soviet technical assistance in those cases in which it is absolutely essential, so that the Peruvian technicians working for Peruvian construction firms will be basically in charge of the project.

Energy for the Entire Northern Region

You already know how important this project is. With regard to energy, it will provide hydroelectric power to the entire northern region of the country. During the initial stage, a 300 megawatt, that is to say, 300,000 kilowatts, powerplant will go on line. A similar amount will be brought on line during the second stage; so in all, we will have a power generating capacity of 600,000 kilowatts. As far as agriculture is concerned, during the first stage 32,000 additional hectares will be opened up for cultivation, plus 50,000 more in the second stage. So in all the project will irrigate 82,000 hectares. You know that these are the highest quality lands that the country has and that they will, of course, extend our agricultural frontiers, which is one of the most important aspects of our national development.

I should also point out that I was pleased by the broad approach that the Soviet authorities took during our negotiations. Not only did we reach an agreement on this matter, but I also had the opportunity to look into our bilateral relations in the areas of economics and trade, which were established just slightly more than 10 years ago, and to pinpoint basic elements to intensify them in the future. This applies both to bilateral trade and to financing other projects that are regarded as priorities for the country and even to the possibility of direct participation in joint bilateral enterprises in major areas such as mining, oil development and transportation. The country will, of course, in due time decide which individual projects are appropriate. This is what I can tell you about our trip to the Soviet Union.

Newsman: Mr Minister, does the Soviet Union have an immediate interest in joint enterprises in the areas that you mentioned?

Minister: Well, for reasons having to do with its particular political position, it has not been the Soviet Union's tradition to get involved in joint enterprises. That is the explanation that they gave me. Instead of investing in other countries, they would rather grant loans so that countries can undertake direct negotiations.

Nevertheless, Soviet authorities feel that given current world developments, this approach ought to be changed, and thus it is quite possible that based on the specific proposals that we presented to them, Soviet authorities will decide that a number of their enterprises should take part in implementing projects in association with domestic Peruvian enterprises. The political decision has, therefore, been made, and now of course, the commission has to be convened. This year we are going to set a date for the meeting of the Peruvian-Soviet Commission to discuss trade, economic, fishing and scientific matters. It will determine which projects the country would need financing for and will decide on their participation as partners, as shareholders.

Newsman: Mr Minister, does this agreement also call for Soviet participation in the second stage of the project?

Minister: Yes. The political commitment is for comprehensive involvement in the entire project, but since it is a very large undertaking, we estimate that it will take about 9 years to finish it. Therefore, it has made an overall commitment for the entire project but a more specific commitment for the first stage.

Newsman: Mr Minister, what about the loans?

Minister: The loans for equipment should carry payback terms of about 17 or 18 years in all, because the terms are staggered. The interest rate that we have agreed on is 6.5 percent, which is obviously a preferential rate when we bear in mind that market interest rates are around 19 to 20 percent today.

World Bank

Newsman: Mr Minister, what about your dealings with the World Bank in Washington?

Minister: We had a long discussion with the World Bank about the entire program that we have been pursuing with it over the last 2 years. We also took the opportunity to sign two loan agreements that had been in the works for some time. One is geared towards petroleum investments; in other words, it is a \$32 million loan for PETROPERU [State Petroleum Agency] to recondition oil wells in the northwest with an eye towards secondary recovery and to conduct a number of

groundwork studies that will lead to another petroleum loan operation with the World Bank, totaling more than \$100 million, for the purpose of speeding up oil exploration and development through PETROPERU.

This is an important initial loan operation because it will serve as the basis for another larger one. ... is the first loan that the World Bank is making in Latin America in the petroleum sphere. The World Bank previously did not lend money for oil development. This is the first time that it is doing so, pursuant to a project that we submitted a few months ago.

The other agreement that I signed involves a \$15 million multisector program in the Puno region. It is geared basically towards rural development, small-scale industry and certain infrastructure projects, in order to raise living standards in one of the country's most depressed areas, the department of Puno, as you know.

We also spoke with the bank about other projects that are at an advanced stage of assessment and analysis in my ministry and that we will be finishing up in the next few months. We have a quite important project portfolio with the World Bank. For example, there is a program for the final studies on the Bayovar Project; another in which we are taking a look at a second expansion of the iron and steel plant, and there is also the diversion of the Mantaro River, which is an enormously important undertaking to supply water and power to Lima.

At the beginning of 1979 the bank financed the studies that are now being conducted. Based on them, it will finance the complete project to divert the Mantaro River. We examined all of these matters with the World Bank on this occasion.

Oil Negotiations

Newsman: You have a meeting this afternoon, I believe, with the president of Occidental, Mr Harmann. The talks on renegotiating the oil contracts are allegedly going nowhere. What about this?

Minister: Well, I wouldn't say that they are going nowhere. This is a negotiation, and in all negotiations there are limits to concessions. In the case of petroleum, we worked them out with the energy and mines minister when the corresponding laws and renegotiation conditions were issued. We will renegotiate very broadmindedly, as we have done over these last few months. Naturally, the government's ultimate stand is to defend the country's interests very firmly, and this of course includes our oil situation, the country's petroleum development requirements and an essential majority share for the Peruvian state in oil-based revenue.

As I have said, we expect to reach an agreement. This is a very complex negotiation, and in the unlikely event that we do not reach an agreement, the revolutionary government will adopt a firm, clear-cut policy in defense of our national interests and in defense of the country's legitimate involvement in developing these major natural resources.

Newsman: A few minutes ago Soviet Ambassador Kuzmin disclosed to us that Peru has begun paying off its debts to the Soviet Union. Though he conceded that these are not sizable payments, could you tell us how much they come to?

Minister: Look, I don't have figures on hand, but obviously, as Ambassador Kuzmin pointed out, the numbers are very small and in keeping with a normal debt repayment schedule. Our debts with the Soviet Union are not very large. The payments are, in fact, extended and very long-term and, therefore, relatively small and insignificant.

Newsman: Mr Minister, is the government taking a look at enacting new economic measures for the country before...?

Minister: Look, there are a lot of economic matters that we are still taking a look at in the government, such as, for example, the Small Business Law and a number of other things; technical analysis is being concluded on them so that the Council of Ministers can begin its examination.

Newsman: Is there anything else, Mr Minister?

Minister: Yes. In all of the meetings that I have had, both in Moscow and in the FRG, where I also signed some loan pacts, as well as with the World Bank, I have made it a special point to express our thanks for the very wideranging cooperation that we have gotten from all of the organizations and governments with which we have been talking. We have again given them assurances that their support can continue to be very active under the new democratic government that will emerge from the elections.

Newsman: The left says that it would repudiate all debts if it got in. What do you have to say about this?

Minister: Look, that would be the new government's problem. You would have to ask the new government about that. In general, however, I feel I should tell them that these governments and international organizations are very favorably disposed toward continued active cooperation with the country for the remainder of this administration and under the new government to be inaugurated next July. (Tape-recorded version of the Peruvian Information Services Enterprise)

PERU

SOVIET CHARGE D'AFFAIRES COUNSELS PATIENCE WITH CUBA

Lima EL COMERCIO in Spanish 19 Apr 80 p 8

[Text] "We think that reason, patience, self-control and good will should prevail in relations between Peru and Cuba" in order to break the impasse that has arisen because of the refugees at the Peruvian Embassy in Havana, the charge d'affaires at the Soviet Embassy in Lima, Igor Laptev, contended yesterday.

"I think that Peruvian diplomacy possesses these attributes" in order to successfully carry forward the negotiations that the two governments are conducting in connection with this problem, the diplomat said.

He made these remarks during a press conference at the Soviet Embassy on Salaverry Avenue to mark the 110th anniversary (on 22 April) of the birth of the founder of the Soviet state, Vladimir Ilich Lenin, the scope of whose philosophy and writings he described in detail.

He called Lenin a "brilliant thinker, an eminent strategist and tactician of the world proletariat." Lenin, he underscored, mastered to perfection the art of directing the revolutionary struggle and the building of socialism and communism.

He indicated that at present no one questions that Lenin's greatest historical accomplishment was the founding of the new proletarian party, the living embodiment of the indissoluble link between scientific theory and revolutionary practice.

He said that owing to the impact of Lenin's ideas and of the Great October Revolution, encouraged by the development of world socialism, the national liberation movement scored brilliant victories.

He stressed that the great thinker strove to eliminate backwardness, to achieve economic independence and to build a just society and that many emerging states are turning to Marxism-Leninism, to experiment with real socialism.

He stated that the direction of current Soviet foreign policy is the same as Lenin proposed initially and that it is geared toward four major goals: bolstering peace, strengthening detente, promoting a policy of peaceful coexistence and eliminating the danger of a global nuclear conflict.

Unfortunately, he indicated, these clear-cut aims have not always struck a responsive chord on the other side. Under the pretext of an alleged "Soviet military threat," the military-industrial complex in the United States and other capitalist powers, the Pentagon, NATO and China's new mandarins are striving to thwart all of the peace and detente initiatives that the Soviet Union and its allies are pursuing, he said.

He pointed out that the USSR favors a cutback, not an increase in armaments. "We are advocates of rapprochement and mutual understanding among nations, not artificial alienation and enmity," he noted.

Events in Afghanistan

The diplomat observed that "the enemies of peace and decent, and more specifically the U.S. administration, the war hawks, are trying to take advantage of events in Afghanistan for their own ends.

"But the truth is that imperialism and its helpers started an undeclared war against revolutionary Afghanistan."

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VENEZUELAN PRESIDENT MIGHT VISIT CARIBBEAN COUNTRIES

FL271550 Bridgetown ADVOCATE-NEWS in English 22 May 80 p 3

[Text] Port-of-Spain, Trinidad, 21 May (CANA)--A Venezuelan Government mission is making the rounds feeling the pulse of Caribbean governments and analysing the situation for possible visits to the region by President Luis Herrera Campins.

The mission headed by Dr. Hilarion Cardozo, Venezuela's ambassador to the Organisation of American States (OAS), has already visited Jamaica, Suriname and Grenada.

The members will leave Trinidad and Tobago tomorrow for Barbados.

Dr. Cardozo told reporters here that he had come to this country as President Campins' personal envoy.

The purpose of the mission, he said, was to bring to the government a special message of friendship and solidarity from the Government of Venezuela.

Other members of the mission are Miss Margarita Palacios, Captain Rafael Ardila and Mr. Jose Eugenio Acosta Frengachan.

During their two-day stay here, discussions were held with prominent officials including President Ellis Clarke, Central Bank Governor Victor Bruce and government ministers.

Ambassador Cardozo met Minister of External Affairs John Donaldson, who is also responsible for national security, Energy Minister Errol Mahabir and Industry and Agriculture Minister George Chambers.

The ambassador told the press that President Campins had received invitations from some of the government to visit their countries.

However, he declined to identify which those countries were.

He said that the mission was preparing a general report on the political, economic, social and cultural affairs in the Caribbean, with special emphasis on their relation to Venezuela.

The ambassador emphasised that Venezuela was a Caribbean state, and that when it stressed its presence in the Caribbean, it was doing so not for the purposes of intruding or imposing its wishes upon any country.

All his country wanted to do was to fulfill its duty as a member of the Caribbean community of nations.

Asked about Venezuela's relations with Cuba, the ambassador said that they were not as Venezuela would wish, but were as the Government of Cuba wanted them to be.

He said that since the regime of President Carlos Andres Perez, Venezuela had been attempting to re-establish cordial relations with Cuba.

Ambassador Cordozo said his country was democratic and believed in liberty. Just as Venezuela was looking to improve relations, Cuban President Fidel Castro has raised his voice again "in the character of Fidel Castro of 1962," he said.

Venezuela did not understand what the Cuban president was searching for, the ambassador added.

His country had no interest in or wish to sever relations with Cuba, the ambassador added, and hoped President Castro would make some gesture to Venezuela's desire for good relations.

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VENEZUELA

BRIEFS

LITTLE BENEFITS FROM OIL--Caracas, 23 May (AFP)--Venezuelan Energy and Mines Minister Humberto Calderon Berti has stated that 80 percent of the Venezuelans have not benefited from progressive oil price increases. The Minister said that in addition to good prices, Venezuela, at the OPEC level, could also obtain, "in exchange for oil supply guarantees we would give our clients, a deal so that those client-countries commit themselves to sell us raw minerals, technology and, to a certain extent, equipment for the industrial development of the OPEC countries at reasonable prices." In an interview published by the Caracas morning newspaper EL UNIVERSAL, Calderon noted that the oil price increase has created an optical illusion as far as social benefits are concerned. "Proof of this is that now everything costs more, we have an internal inflationary process that in part is being caused by the great influx of foreign currencies and by a wealth that came all of a sudden. It came without being the result of work, effort, dedication and tenacity of those Venezuelans but as a fortuitous situation that arose as an unexpected arrival of overwhelming amounts of money," the minister stated. He added that the problem has been "that we have received much money and we did not know how to spend it." The minister is in favor of turning oil into a different kind of development tool. "We must continue asking for good prices for our oil, but this is not a matter of how much we charge for the oil barrels we export, but of how we manage the bolivares we receive from the sale of those oil barrels," the minister cautioned. [Text] [PA240446 Paris AFP in Spanish 1444 GMT 23 May 80]

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